

**WANTED: GIRL  
POWER IN THE  
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Why big business  
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**RURAL IDYLL?**  
YOU MUST BE  
JOKING  
If you want village  
life, stay in the city

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**SIR ELTON TELLS  
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The answer's in  
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**FOWLER'S  
CUP OF  
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World cup worry  
for Liverpool star

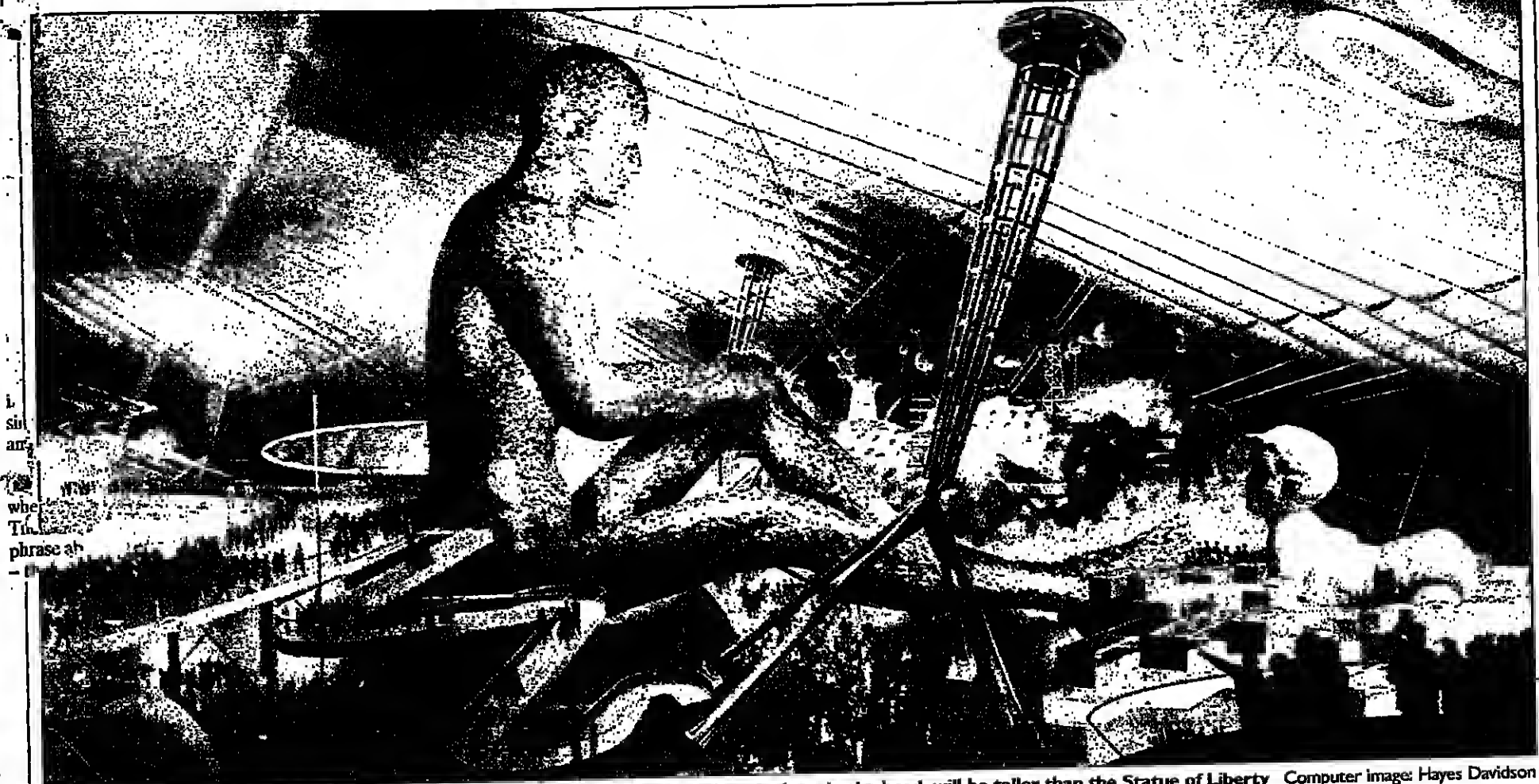
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# THE INDEPENDENT

Wednesday 25 February 1998 45p No 3,543

## Unveiled: Blair's theme park for the Millennium



Inside the Millennium Dome 'Body Zone': the human figure, with an observation platform in the head, will be taller than the Statue of Liberty Computer image: Hayes Davidson

### PM promises Greenwich extravaganza will be the envy of the world

By David Lister  
Arts & Leisure Editor

LANGUAGE emotional and at times apocalyptic for what remains in essence a theme park, the Prime Minister yesterday unveiled some of the contents of the Millennium Dome. They include a 79-ft high genderless body that visitors will enter via the waist and exit via the head, a "float-coaster" bed, on which to relax, a spiritual garden, in which to reflect, and a climatic show designed by the man behind the stadium extravaganzas of U2 and The Rolling Stones, in which to commune.

Though Mr Blair and Mr Man-  
delson were careful never to utter the  
words theme park, the Dome as out-  
lined yesterday will have Disneyesque

elements, promising a highly enjoy-  
able day out with educational, spiri-  
tual and community aspects  
approached through rides, boats,  
moving pavements and cyberspace.  
It will be, promised Mr Blair, "the  
envy of the world... Picture the scene.  
The clock strikes midnight on 31 De-  
cember 1999. The eyes of the world turn  
to a spot where the new millennium be-  
gins - the Meridian line at Greenwich.  
This is Britain's opportunity to greet the  
world with a celebration that is so bold,  
so beautiful, so inspiring that it em-  
bodies at once the spirit of confidence  
and adventure in Britain and the spir-  
it of the future of the world."

Getting his agro in first, Mr Blair  
castigated any doubters, placing them  
in an ignoble, unpatriotic and nihilistic  
tradition.

"It does not surprise me," he said,  
"that the cynics have rubbished the  
idea. They are in good company. They  
are part of an inglorious strand of  
British history; like those who said St  
Paul's would be a calamity, that the  
1851 exhibition would have no visitors  
and that the 1951 Festival of Britain  
would never be finished on time."  
"It's easy to say 'don't do some-  
thing'. To say that it won't be done on  
time. That it costs too much. That no  
one will visit it. It takes little courage  
to say no to a new idea."

Unveiling models of the contents  
for around half of the zones, Mr Blair  
disclosed that businesses which have  
so far pledged their backing include  
Tesco, BSkyB, Manpower and BT. A  
sum of £75m has been raised so far,  
half of the sponsorship target.

The Dome will house:  
■ The Body Zone - "A voyage into  
the most fascinating and complex ob-  
ject in the world - the human body";  
■ Spirit Level - "A space for spiri-  
tual reflection that recognises the for-  
mative influence of Christianity in the  
Western world and the presence of  
other religious beliefs";  
■ Licensed to Skill and the Learning  
Curve - "The Learning Curve explores  
the classroom of the future while in  
Licensed to Skill, visitors will see how  
they meet the career challenges of the  
future";  
■ Dreamscape - "Visitors float along  
a river of dreams";  
■ Serious Play - "A moving pavement  
into the world of play with multi-me-  
dia and a cinematic experience";  
■ Living Island - "Living Island

takes visitors on a journey to a typi-  
cal seaside resort - with surprises in  
store as the day trippers start to ex-  
plore the difference they can make to  
our environment through everyday  
choices".  
The attractions will be ranged in  
a circle around the performance area  
at the heart of the 20-acre space, which  
will feature a show designed by im-  
presario Mark Fisher and rock star Pe-  
ter Gabriel, with live performers and  
"stunning" visual effects repeated  
throughout each day.  
While rock music and visual spe-  
cial effects will certainly feature, it re-  
mains unclear as to which other  
performing arts or symbols of British  
culture will find a home in the Dome.  
Special report, pages 8 and 9  
Leading article, page 18

## Princess Margaret suffers stroke on holiday island

By Andrew Buncombe



Princess Margaret: 'stable'

PRINCESS MARGARET was last night recovering in a Caribbean hospital after suffering a mild stroke.  
The Queen's 67-year-old sister was taken ill on the island of Mustique, where she had been holidaying for three weeks. After treatment at the island's surgery she was flown by air ambulance to Barbados.  
Witnesses said the Princess, 11th in line to the throne, was well enough to walk onto the plane and last night she was said to be in a stable condition. It is understood she has suffered no serious paralysis.  
Ken Will, spokesman for the Mustique Company, which runs the island, said: "She was able to walk from her car across the Tarmac to the plane. She was also sitting on the plane, there was no need for a stretcher."  
Princess Margaret, four years younger than the Queen, was well known as a heavy smoker who used to get through 60 cigarettes a day, though she has since given up. Cigarette smoking is widely recognised as one of the risk factors associated with strokes.  
She has suffered a series of health scares, one of the most serious being in 1985 when she was admitted to hospital for an operation to remove part of her lung. The section removed turned out to be non-malignant.  
Despite her operation she failed to give up smoking immediately, although she did cut down to 30 cigarettes a day.  
But ill-health has dogged the Princess, who suffered a nervous breakdown in the 70s. In May 1992 she had to cancel several

days of engagements with a "feverish cold" and in late November with a "feverish infection". In January 1993 she was admitted to hospital with pneumonia.  
In this latest episode, the Princess fell ill while being entertained by friends at their holiday home. Medical staff were immediately called to help her and she was taken to a nearby doctor's surgery for treatment.  
The Queen yesterday carried on her normal engagements and made no reference to her sister's condition. Lord Snowdon, from whom the Princess is divorced, was said to be "most concerned" and has been in touch with the couple's children, Viscount Linley and Lady Sarah Chatto.  
The Princess will be flown back to Britain when she is well enough for the long journey.  
Loyalty and duty, page 3



## Greer paid £1/2m for new 'Eunuch'

By Paul McCann  
Media Correspondent

BERMAINE GREER is to join battle with the so-called few feminism after selling the sequel to her seminal book *The Female Eunuch* for £500,000.  
After a bidding war between even publishers on Monday the feminist icon's agent sold the rights to *The Whole Woman* to Doubleday Publishing. The book will be published next year - 30 years after *The Female Eunuch* made Greer a household name.  
In the new book she is expected to enter the feminist debate on behalf of an older generation of feminists who believe women still have much to fight for. "She is looking at the routes feminism has taken, and taken us, over the last 30 years," says Greer's literary agent Emma Parry. "It will be provocative, but she won't analyse every individual feminist writer and their ideas in turn."  
In recent years a new generation of feminist thinkers like Natasha Walter, Naomi Wolf



Greer: 'provocative'

and Katie Roiphe have argued for a less strident feminism. Some believe that the focus of the fight for female equality should now be restricted to the workplace. And that the personal is not necessarily political.  
Another issue to be covered by the book is the failure of feminism adequately to deal with motherhood. In a major speech last year Greer argued that women had been de-sexed by Nineties culture: "The 1969 female eunuch was nothing but a womb," she said. "The 1997 female eunuch has no womb."

### Today's news

#### Cleared too late

A SOMALI sailor who was hanged 46 years ago for murder had his conviction quashed by the Court of Appeal yesterday. The guilty verdict against Mahmood Mattan's was overturned after the introduction of new evidence. His widow was in court for the ruling. Page 2

#### Connery hits out

SEAN CONNERY yesterday spoke of his disappointment at not being knighted as the row over the star's apparent snub grew. Page 5

#### IRA 'not to blame'

THE Northern Ireland peace talks continued yesterday as the British Government signalled it did not hold the IRA responsible for the recent bombings. Page 3

#### Tom Cruise top

TOM CRUISE has topped the movie industry's latest list of the most bankable film stars. Page 8

## Back at the UN, returning chief gets a hero's welcome

By David Osborne in New York



Saddam: negotiated

ON A DAY of rare euphoria at United Nations headquarters, the Security Council yesterday offered a preliminary endorsement of the agreement negotiated by the Secretary-General, Kofi Annan, with Iraq on weapons inspections and averting military action by Britain and the United States.  
"We believe that this agreement is a step in the right direction," the US Ambassador to the UN, Bill Richardson, remarked after a two-hour meeting of the Security Council with Mr Annan. Mr Richardson added, however, that Washington would still be seeking clarification on portions of the agreement.  
Mr Richardson insisted also that the value of the deal guaranteeing access by UN inspectors to presidential sites would be clear only after it was put to the test. "We want to see clarification and verification. We want to see it implemented, complied with and enforced."  
Mr Annan voiced confi-

dence that once all clarifications are given, he will have "strong and unanimous Council support" for the agreement. Noting that it is the first such pact to have been negotiated with Saddam Hussein himself, he also expressed optimism that it would be honoured by Iraq.  
Before briefing the Council on his Baghdad mission, Mr Annan was treated in a stirring hero's welcome in the main foyer of the UN building where hundreds of staff had gathered to greet and to applaud him. A beaming Mr Annan declared:  
"This is a wonderful example of what the United Nations should be". He paid fulsome tribute to London and Washington: "I will start by thanking President Clinton and Prime Minister Blair for being perfect UN peacekeepers... in the sense that we taught our peacekeepers the best way to use force is to show it in order not to use it."  
While stressing the need to see it tested, the British Ambassador, Sir John Weston, welcomed the Annan package. He said that the Council will begin work today on a new resolution to reinforce the agreement that "ought to allow us to put our relationship with Iraq on a more secure footing".  
The clarification sought by Washington pertains in part to the language used in the agreement, notably a paragraph stressing that the inspectors "respect the sovereignty and territorial integrity of Iraq". Mr Richardson said: "Our concern is Saddam Hussein, whether he will find loopholes in any of the language".  
Iraq crisis, page 12



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## Ma'am darling: the princess driven by loyalty and duty

By Flammetta Rocco

ONE OF the Queen's greatest fears, according to her friends, is that the Queen Mother and Princess Margaret will die one soon after the other, leaving her alone. The three Windsor women are very close, and it has not been a good year for them.

Princess Margaret was once the Queen's greatest worry. Now she is one of her greatest supporters, among the last of a dwindling band of people who have been close to the Queen since before she ascended the throne.

The Princess's friends say her qualities are great, but, as even they - not most of them - will admit, so too are her defects. There is little in between. She either hates things or loves them. Everything is theatrical, with that little touch of vulgar taste she shares with the other women in her family: her thank you letters, so purple they could be from Liberace; her Sevres blue drawing room at 1A Clock Court, her apartment at Kensington Palace; the pair of gilded blackamoors either side of its main doors.

To her friends she is a real friend. "She is probably the loyalest friend you could have, once she's decided she likes you," says Lady Elizabeth Cavendish. Her little hand of pals constantly cossets her, arranging her travels, paying for her social life - she doesn't carry a cheque book and doesn't have a credit card - and organising entertainments to keep her happy.

She likes to go and stay with them for the weekend. Her lady-in-waiting, Annabel Whitehead, rings up ahead of time to arrange an invitation. Invariably this gets her hosts flustered.

One had her bedroom rewired so the Princess could use her Carmen rollers. But the Princess doesn't seem to notice. What she enjoys most, they all confirm, is lighting fires and dead-heading the roses with shiny secateurs.

She takes against people and cannot be hugged once her

mind is made up. She never received the Duchess of Windsor, although her mother eventually did, on the occasion of the Duke's funeral in 1972. She refuses to go and stay with Jocelyn Stevens because his ex-wife, Janie, is one of her oldest friends and was given Princess Margaret's children's nursery at Kensington Palace to use as her own flat.

Sharp-witted rather than deeply intelligent, the Princess can also be sharp tongued. She demands obeisance. Every-

### IN THE NEWS PRINCESS MARGARET

one calls her Ma'am, and even her closest friends still call her "Ma'am darling". She has a nose for anyone trying to be over-familiar, turning her head away as if she had encountered a dog mess. As one of her occasional dates says: "She can be unbelievably rude. Quite takes your breath away." She still does more royal engagements than most people might imagine. These are B list jobs, perhaps, but someone has to do them.

Indeed, her loyalty to her sovereign is, even to her enemies, her single greatest virtue. Recently, turning down a journalist's request for an interview, she passed on a message through her friend, Lady Penna. "Tell her," she said, "that everything I do is to support the Queen and to help her."

They speak on the telephone every day and take note of each other's small wishes. Princess Margaret recently gave her elder sister five powder puffs for Christmas. It's not the sort of thing she would get from anyone else.

#### Dangers of flight home

Princess Margaret's flight back to Britain will carry risks, an expert in aviation medicine said last night. The cabin pressure, normally set at the equivalent of a height of around 7,000ft, will mean thinner air and less oxygen.

Dr Ian Perry said it was essential that her condition was stable and getting better rather than worse and that the cause was understood before the flight was attempted. "It might be better to fly a top-rate neurologist out to her," he said. Normally, with standard treatment, she should be safe to travel in a few days, especially if the stroke was mild.



Margaret: Sharp-witted rather than deeply intelligent, she also has a sharp tongue Photograph: Charles Donnelly

#### The health warnings

Princess Margaret's first big health scare came in January 1985 when she was admitted to hospital for an operation to have part of her lung removed. Although she gave up her 60-a-day smoking habit immediately following the operation, within a few months she was back to a packet and a half a day. In more recent years, she has been continually dogged by ill-health. In May 1992 she was forced to cancel several days of engagements as a result of a "feverish cold" and again in November of that year she was struck down by a "feverish infection". In January 1993, she was admitted to the King Edward VII Hospital in London suffering from pneumonia. Her last public appearance was earlier this month when she visited the Queen Mother after her hip replacement operation.

#### Mustique's mystique

The island of Mustique in the Caribbean was bought by Colin Tennant in 1959. Ten years later, he created the Mustique Company, which owns the island and rents out its luxury villas. The company has 50 shareholders and in recent times they have been concerned that the demands and tastes of wealthy Americans could irrevocably change Mustique's image. "There is something very special and 'English' about Mustique which we want to retain," the island's manager, Brian Alexander, told the *Times* last May. "The Americans expect to find the same things they would find in Florida resorts. We don't want a golf course, but we do want to keep the cricket pitch, for example." The company was spending more than £250,000 on a marketing drive to attract more holidaymakers from the UK and had even set up a satellite station to receive BBC and Sky television programmes. A villa sleeping two people costs from just under £2,000 a week to rent. A larger villa, such as the one owned by Patrick Lichfield, costs around £12,000 a week.

#### Whatever happened to Roddy?

The man made famous by being Princess Margaret's escort celebrated his 50th birthday last year. Married with three children, he lives in a 14th-century former pub in Oxfordshire. He has a full-time landscape design business and lectures, writes and makes television series about garden design. He has never spoken publicly about his relationship with Princess Margaret despite lucrative offers from newspapers and publishers. Journalists are warned in advance of meeting him that the subject is off limits.

#### Some fascinating facts

She was born in Glamis Castle, making her the first royal child to be born in Scotland for more than 300 years. The registration of her birth was delayed for several days in order to avoid her being numbered 13 in the parish register. In 1954, she directed a West End play called *The Frog*. It sank without trace. In 1978 she became the first royal to divorce since Henry VIII.

## Tom Cruise tops the bankability rankings

By Paul McCann  
Media Correspondent

TOM CRUISE has topped the movie industry bible's list of the greatest film stars in the world, not because of his acting talent or the quality of his films, but because of his "bankability".

The *Hollywood Reporter* has published its Star Power list for the first time in three years, a listing from nought to 100 of the power which Hollywood's major stars have to get films made that make money.

Cruise just edges ahead of Harrison Ford with 100 points to Ford's 99. Behind them come Mel Gibson (98 points), Tom Hanks (97) and Brad Pitt (96). The highest ranking woman on the list is Jodie Foster who at number 10 on the list gets a 93.82 rating.

Those on the top of the Star Power list are those who can get their movies made regardless of the cost, the genre of film, who the director of the film is or what the script is like. They are stars whose name on a reel gets it sold across the globe without film distributors even watching the film.

The highest ranking British star on the list is Sean Connery who gets a 88.32 rating to come in as 18th most powerful star



Star turns: (clockwise from top left), Tom Cruise heads the list followed by Harrison Ford and Mel Gibson. Jodie Foster is the highest ranked woman

in the movie firmament. This ranks Connery above American stars like Michael Douglas, Demi Moore and even *Titanic*'s Leonardo Di Caprio. The next Brit on the list is fellow Bond actor Pierce Brosnan who is 33 on the list. Fellow Celt Anthony Hopkins comes in at three places below with

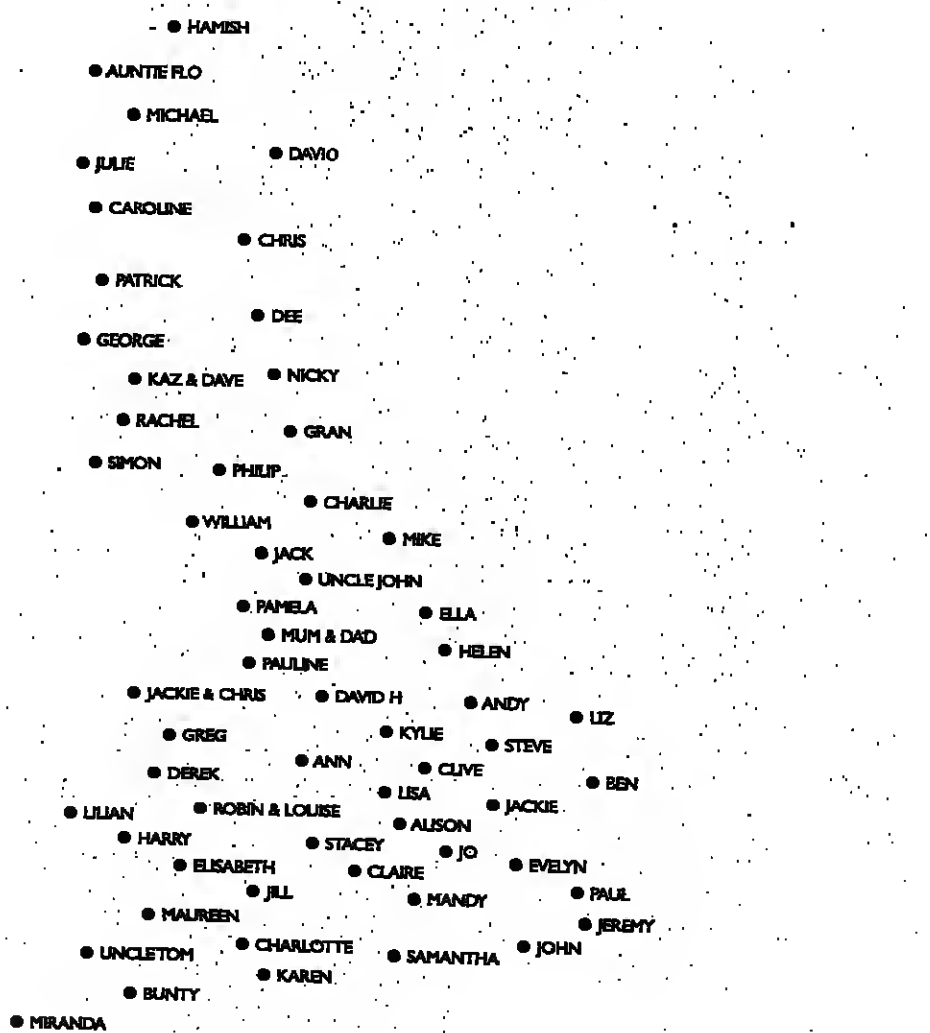
a 76.88 rating. Emma Thompson is Britain's highest ranking female and comes in above stars like Madonna and Whoopi Goldberg.

Although some movers in Hollywood have been talking up the importance of scripts and directors in recent years, others disagree: "Star power gets your movies made and gets your movies sold," says Greg Coote, president of Village Roadshow pictures. "The marketing becomes easier. The ancillaries - TV, video - become easier to sell."

The *Hollywood Reporter*'s list is scarcely comprehensive and pulls no punches with an actor's ego. Nick Nolte languishes as the 100th most powerful star in Hollywood and yet he gets 55.38 points and is followed by 300 lesser known stars.

The list was compiled by polling the movie industry's film buyers, executives, producers and distributors on how each star would guarantee financing and overseas sales of films.

"This list is used as a tool in Hollywood," says Jeff Kaye, European bureau chief for the *Hollywood Reporter*, "especially when execs are trying to guess who to cast in films they want to do well overseas. They will look at the *Hollywood Reporter*'s rankings."



## Oasis go over the top down under

By Steven Vines  
in Hong Kong

BY THE demanding standards of bad behaviour which the rock group Oasis have set for themselves, they were a model of restraint during a brief concert appearance in Hong Kong. The audience suffered no more than minimal abuse, Noel Gallagher only threatened to walk off the stage once, and they only kept the fans waiting for an hour or so.

But impeccable behaviour was clearly a strain. It therefore came as no surprise that they felt the need to let off steam and cause a degree of mayhem when jetting out of the former

colony to continue their tour in Perth, Australia.

Occupying six business class seats on Cathay Pacific flight CX171 which arrived in Perth on Monday night, they alarmed fellow passengers, who complained of "noisy, disruptive and abusive behaviour."

Staff attempting to enforce the smoking ban on the flight were also subjected to abuse.

The band and their entourage were reported to have boarded the flight with the benefit of alcoholic fortification. They were rowdy more or less from the moment they got on the plane.

One report, which Cathay in Hong Kong says it is unable to

confirm, states that the Captain considered diverting the flight before arriving in Perth so that the disruptive passengers could be unloaded.

A Cathay spokesman in Sydney said the airline was not prepared to carry members of Oasis again unless they furnished a promise of "adult behaviour". At Cathay headquarters a spokesman said: "We reserve the right to accept or not accept passengers."

It is not known whether the Gallagher brothers, Noel and Liam, were directly involved in the disruption. During the 90-minute Oasis concert, they gave indirect warning of what was to come on flight CX171 by of-

fering a spirited rendition of "Cigarettes And Alcohol".

By the time the concert was over, Noel Gallagher was in sufficiently mellow mood to confound his bad boy image by actually thanking the audience.

At a pre-concert press conference he spoke about how the group were planning to "trash the hotel room and throw TVs through windows". This, apparently, was a joke. Mr Gallagher made this clear by saying: "Someone who looks a bit like us will knock over some plant pots in the hotel lobby and we'll probably get arrested."

Cathay Pacific is still ploughing its way through "several" passenger complaints.

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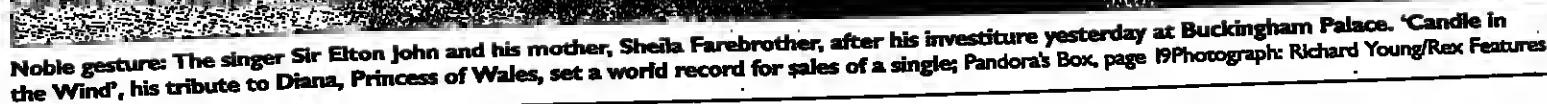


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DELL

# 'Fixer' jailed for airport bombing



**By Jason Bennetto**  
Crime Correspondent

**AN IRA "fixer" who helped other men fire Semtex mortar bombs on Heathrow Airport was jailed for 20 years yesterday.**

Michael Gallagher, 55, provided "vital" back-up to the Provisionals' active service unit which could have left hundreds dead if the bombs had gone off in the attack in March 1994.

The Glaswegian-born father of three was caught after a two-and-a-half year surveillance operation, involving the Anti-Terrorist Branch, Special Branch and MI5, which followed a tip off from a neighbour who saw men wearing rubber

Three hatches of homemade missiles, packed with Semtex, were fired into the airport from remote-controlled

launchers close to the perimeter fence, over five days. One landed on Terminal Four's roof, packed with travellers, while another narrowly missed six cleaners. They all failed to go off.

The attack was widely seen as a blunt verdict on the Downing Street peace declaration four months earlier.

A jury at Woolwich Crown Court, London, convicted Gallagher by 11-1 of conspiring to cause explosions. Mr Justice Richard Tucker told him: "This series of attacks resulted in enormous disruption of services and it was in my view purely fortuitous that there was no injury or loss of life or extensive damage to aircraft, to runways or to terminal buildings."

Gallagher had rented a garage in which a vehicle and bombs were prepared. "Your role may have been a lesser one but it was nevertheless an important one without which this operation could not have been mounted," the judge said.

He praised Mr Garneys, who notified the police after he became suspicious of activities at the lock-up garage near his home in West Hampstead.

An Irishman had knocked at

his home and asked him to move his car, which was blocking the garage entrance.

Mr Garneys noticed that the men kept the garage doors closed to prevent him seeing inside. He saw a second man wearing blue rubber gloves holding the garage doors open.

He subsequently discovered the men were working there at night. It was later believed they had been assembling the missiles and launchers then.

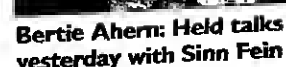
Undercover officers staked out the premises and hugged a telephone line.

Gallagher was often tailed around London, and during frequent visits to Northern Ireland and on a trip to Dublin. On one day alone he was followed by 29 operatives as he headed across London to meet someone police are convinced was a leading Provisional.

Hundreds of his conversations at his flat were recorded. Forensic scientists had uncovered a wealth of circumstantial evidence and forensic evidence pointed to Gallagher being a contributor to the Heathrow attacks.

He was also a self-confessed benefit cheat.

# Ulster talks crawl along



**By David McKittrick**  
Ireland Correspondent

**THE** Northern Ireland peace process edged gingerly along yesterday with reportedly useful political talks and signals from the government that it does not hold the IRA to blame for recent bombings.

Tensions appeared to ease somewhat in the multi-party talks as parties discussed the possible shape of new north-south institutions in a new political arrangement.

But at the same time the RUC and army cranked up security in some areas in the wake of the republican bombings which caused widespread damage in the Protestant towns of Moira and Portadown.

Political development minister Paul Murphy said the Moira bomb appeared to have been carried out by the break-away Continuity army council rather than the mainstream IRA, adding: "As far as we know the IRA ceasefire is intact." The Portladow attack was still under investigation, he said.

Both Sinn Fein and the IRA, meanwhile, have been denying IRA involvement in either attack. Sinn Fein is presently barred from the talks process because of previous

IRA violence, but remained politically active yesterday with a meeting between party leaders and the Taoiseach, Bertie Ahern, in Dublin.

Mr Murphy said that yesterday and on Monday the political talks had been "very positive, very structured, very hopeful and very encouraging."

One of the talks participants, David Irvine of the Progressive Unionist party, advanced the theory that the IRA was split. He added: "It is a position which we perhaps always knew was coming, but we don't know the size of the split so we have got to wait and see." The PUP also reiterated its warning that the ceasefire maintained by its parent paramilitary organisation, the Ulster Volunteer Force, was in danger following the republican bombings.

■ The Home Secretary is scrapping the power to issue exclusion orders against alleged terrorists from Northern Ireland entering mainland Britain, writes Colin Brown. Jack Straw said in a Commons written answer he was rejecting the advice of JJ Rowe, who recommended the power of exclusion should be kept following his annual review of the Prevention of Terrorism (Temporary Provisions) Act 1989.

**By Judith Judd**  
Education Editor

**EXAM** standards may be falling, Chris Woodhead, the Chief Inspector of Schools said yesterday.

In GCSE English exams, ministers must address the question of whether grammar and punctuation were being sacrificed because pupils were being taught more knowledge, he argued.

Mr Woodhead made his controversial suggestion in his annual lecture at the Royal Society of Arts in London. He appeared to contradict statements by ministers after last summer's GCSE and A-level exams, saying that standards have remained the same for the last 20 years.

He said that an inquiry carried out last year by government exam advisers and his Office for Standards in Education had found no evidence that exams had become easier over the last two decades.

But the inquiry into maths, English and chemistry had not, he emphasised, given GCSE and A-levels "a clean bill of health". It had not come to definite conclusions because the exam boards had not been able to produce enough examples of past scripts.

Instead, it had raised questions about whether broader syllabuses had led to poorer grammar and spelling.

"I can of course understand why some find it easier to sweep such issues under the carpet. To raise the possibility that examinations may not be as demanding today as they were 20 years ago is to call into question the reality of the inexorable rise in achievement the examination statistics seem year by year to suggest.

The qualifications and Curriculum Authority last night issued a robust rebuttal of Mr Woodhead's remarks. It said it had carried out inquiries into four more subjects at GCSE and five at A level since the previous investigation.

**Q.** Is Air Conditioning included?

**A.** It certainly is.

**Q.** How about a really sexy cloth trim interior?

**A.** The engine immobiliser system comes as standard.

**Q.** Does it have power steering?

**A.** It does have power steering

**Q.** What about security?

**A.** You've got it.

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**A.** Very, very special.

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## Political knives are out for me, says Connery

By Tim Hulse

THE ACTOR Sean Connery yesterday described the decision to deny him a knighthood in the New Year honours list as "purely political". Speaking from his home in the Bahamas, he also suggested that he had been the victim of "character assassination".

The saga began on Sunday when it was alleged that Connery's knighthood had been blocked following the intervention of Donald Dewar, the Secretary of State for Scotland, and one of Dewar's junior ministers, Sam Galbraith. Connery had been put forward for the honour early last year by Virginia Bottomley, the then heritage secretary. The recommendation was passed to the Scottish Office and the then Scottish secretary, Michael Forsyth, approved it. However, when Labour came to power, the process had to be repeated, and this is when Dewar is said to have stepped in.

Initially it was believed that the decision was taken as a result of Connery's vocal support for the Scottish National Party. Only last week it was revealed that he had donated £200,000 to the party over five years. However, unnamed "government sources" have suggested alternative reasons, such as Connery's tax exile status as well as remarks he once made about violence towards women.

"I am fed up being told I don't pay taxes. I pay taxes more than most people in the UK," Connery told the BBC Today

programme. "I don't like the turn it has taken now when they drag up something from the past about my violence towards women."

Connery provoked considerable controversy in 1993 when he told *Vanity Fair* magazine: "Sometimes there are women who take it to the wire. They are looking for the ultimate confrontation—they want a smack. It's much more cruel to damage someone psychologically. To slap a woman isn't the cruellest thing you can do."

However, Connery yesterday denied "absolutely" that he had ever said it was acceptable to hit women but admitted his comments might have been "stupid". In his opinion, the matter was purely political. "Either they or I are hoisted on their own petard," he said, referring to Messrs Dewar and Galbraith, "because if they want to do a character assassination on me, then that's their way of justifying saying they should not give it to him. That must be the purpose. I don't know. You must ask them."

When asked about the controversy on the Scottish radio station Clyde News yesterday, Mr Dewar said: "We cannot and never do explain about the honours." After saying decisions were not his "specific responsibility", he admitted that "we are sometimes consulted".

Connery, who has "Scotland Forever" tattooed on his right arm, has long been a fervent SNP supporter. In November 1996 he appeared in a party political broadcast on their behalf. His theme was the



Sean Connery: 'I don't like the turn it has taken when they drag up violence towards women' Photograph: Brian Harris

Stone of Destiny and the broadcast was deemed the party's most successful, with nearly 600 people applying for membership immediately after it.

In April last year, Connery wrote a letter of support for the campaign for Scottish independence. "Everywhere I go in the world, people want to know about Scotland and why we tolerate our affairs being run by someone else's government," he said. "If the SNP wins, so does

Scotland—it's as simple as that." Connery's portrait appears, together with that of party leader Alex Salmond, on the SNP's homepage on the Internet. At a tribute to the star in New York last May, Harrison Ford, said: "Sean does everything from Arab sheikhs to dragons with a Scots accent. As an actor, he honours his homeland every time he opens his mouth."

Leading article, page 18

## Gay doctors to get equal treatment

By Jeremy Laurence  
Health Editor

LEADERS of the British Medical Association are expected to teach their cricketing brethren in the MCC a lesson in equal rights today by allowing gay and unmarried heterosexual partners of doctors cut-rate membership of the association.

The BMA's ruling council is to vote on a proposal to allow live-in partners of either sex to qualify for the cut-rate subscription which is currently only available to spouses. However, the value of the discount is to be reduced so wives and husbands will pay more to allow unmarried partners to qualify.

Once seen as the heart of the medical establishment, populated by white-haired gents in the Dr Finlay mould, the BMA has modernised in recent years as a reforming leadership has given it a younger, more progressive outlook. Now it has bowed to pressure from its junior doctor members whose domestic arrangements would have shocked their forebears.

Only doctors may join the association but the low-price subscription has been valuable to medical couples who effectively get two memberships for the price of one and a half. In addition to a weekly copy of the *British Medical Journal*, members get legal and industrial relations advice in disputes with employers, pensions advice, cheap motor insurance and a range of other services.

The BMA has 114,000 members most of whom pay an annual subscription of around £250. About 5,000 spouses pay the lower subscription, which is reduced by 62 per cent. A further 2,000 are expected to qualify for the new cut-rate, which is to be set at 50 per cent to maintain the same level of income for the association.

Dr Jim Appleby, BMA treasurer, said the demands for change had come from unmarried junior doctors in long-term relationships who had

argued that they were being discriminated against: "We wanted to be fair to people in those circumstances and not think of gender or sexual orientation. Once they are living in a house with joint responsibility for that as a couple, we won't be judged."

## MCC DECIDES ON WOMEN

MCC, the world's most famous cricket club, was set to vote last night on whether to overturn two centuries of tradition and admit women as members.

The result was to be announced after a special general meeting of the Marylebone Cricket Club at Lord's. Expectations at press time yesterday were, that despite mounting pressure, members might once again balk at the prospect of a mixed pavilion.

When this vexed issue was last addressed, in 1991, the modernisers failed to achieve the required two-thirds majority to alter the club's constitution.

This time though, the female players and spectators who are clamouring to join have the backing of the MCC hierarchy. The club's committee has written to all members, whose average age is 57, urging them to vote in favour.

— Kathy Marks

## THE CONTROVERSIES

In 1993 Connery was subjected to allegations of racism following the release of the film version of Michael Crichton's novel *Rising Sun*, which dealt with the unscrupulous nature of Japanese corporations. It was reported that he had even received death threats, forcing him to hire two bodyguards.

Last year, the actor who has always described himself as a one-woman man, had to endure tabloid revelations of an 11-month affair with Helle Børn, a Danish journalist 23 years his junior. "At the height of passion, he would repeat the same words in a foreign language," she said. "It sounded like Arabic or possibly Gaelic."

## Harding helicopter death blamed on pilot's confusion

THE PILOT of the helicopter in which Chelsea Football Club vice-chairman Matthew Harding died probably became disoriented just before the aircraft plunged to earth and burst into flames, an inquest was told yesterday.

Multi-millionaire Mr Harding, 42, pilot Michael Goss, 38, businessman Tony Burridge, 39, and Raymond Deane, 43, and magazine journalist John Bauldie, 47, died instantly when the Twin Squirrel aircraft crashed into farmland near Middlewich, Cheshire, and burst into flames as it was carrying the party from a Chelsea v Bolton cup tie on 22 October 1996.

Chief air accident investigator Michael Charles told the inquest in Knutsford, Cheshire, that former army pilot Mr Goss was probably trying to do "more than was achievable" in trying to fly single-handed in poor visibility in a helicopter without autopilot and while



Matthew Harding's widow Ruth (far left) and his mistress Vicky Jaramillo, who were both in court for yesterday's hearing Photographs: PA

trying to talk to air traffic control. He said new regulations on night flying were due to be introduced which would require that helicopters with single pilots should be fitted with autopilots or stabilisation devices.

Mr Goss probably became confused and might not have believed his instruments before trying to manoeuvre the helicopter without looking for visual signs outside the aircraft, the inquest was told.

Mr Charles told Cheshire coroner John Hibbert that there was an indicator in the cockpit showing the position of the helicopter in relation to the horizon. "If he had looked at it and believed what it had told him and acted on it, there would have been no problem," he said. But it was not uncommon for pilots to get a "body sense" and convince themselves their aircraft was straight.

The jury heard a tape-

recording on which Mr Goss, who had drifted off course, asked air traffic control for permission to climb to 3,000 feet before requesting a bearing straight to Manchester Airport. He was given permission to climb and was then asked what bearings he wanted for an ILS (instrument landing).

The pilot's last words were: "Yeah, I'm looking for vectors for an ILS... I think I'm in a descent at the moment... hold on." The aircraft is believed to have crashed moments later.

Mr Harding's estranged wife Ruth, 44, and his girlfriend Vicky Jaramillo, 26, were both in court for the hearing, which is expected to last up to four days. It continues today.

## Cowboy truckers face fine

LORRIES operated by cowboy truckers could be impounded under Government plans to be announced today. Gavin Strang, Cabinet minister with responsibility for transport, will outline the powers in a speech to the freight industry. Officials say that some firms do not abide by safety rules and undercut more prudent rivals, and some deterrent is required. The move will require primary legislation and ministers are inclined to fine offending operators £5,000.

— Randeep Ramesh

## Halle suspends directors

THE Halle Orchestra yesterday suspended two directors on full pay pending an inquiry into the financial affairs of the crisis-hit organisation. A spokeswoman for the Manchester-based orchestra stressed there was no suggestion that John Whibley, deputy chief executive, or Jack Whittaker, director of finance, had been involved in any illegal activity.

## BBC Parliamentary coverage

DUE to a typographical error, yesterday's story about changes to the BBC's coverage of Parliament said the corporation was scrapping *On The Record*. The show being dropped is in fact the early-morning BBC 2 programme *The Record*.

## Lads on pauper's pay in 'sport of kings'

By Barrie Clement  
Labour Editor

STABLE lads who work in the "sport of kings" are among the lowest paid workers in Britain, official research for the Low Pay Commission shows.

Staff who look after racehorses are paid as little as £1.98 an hour, which over a normal working year would translate into a wage of less than £4,000.

Joint bottom of the low-pay league was Axa Provincial Insurance, based in Kendal, Cumbria, the report — "Pay Systems and Pay Structures and the Relationship to Low Pay" compiled by Incomes Data Services found. Axa Provincial claimed, however, that no one

was actually paid less than £3.17 an hour.

Responding to the findings, a spokesman for the National Trainers' Federation for horseracing said that the £1.98 an hour rate applied to school leavers and was a "safety net". Many employees were paid more.

Junior hairdressers, who received as little as £2.18 an hour, are also among the poorest workers, according to the study for the commission which will advise ministers on the level at which the national minimum wage should be set.

The Government is expected to set a minimum of around £3.50 an hour at current prices for workers over the age of 24.

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# Hereditary peerage is backed by Hague

By Anthony Bevins  
Political Editor

A STRONG defence of the hereditary peerage was delivered last night by William Hague, Conservative leader.

Following reports that Tory resolve was weakening in the face of the Government's determination to abolish the voting rights of hereditary peers in the Lords, he attacked the Labour plans in a speech to the Centre for Policy Studies, in London.

"The Government is now embarking on what is potentially the most damaging step of all - removing the main independent element in the House of Lords by excluding the hereditary peers," he said.

"Mr Blair's justification is his dislike of the hereditary principle, although he sees no contradiction in also parading himself as the protector of the monarchy."

"Labour's plans could lead to a House almost entirely composed of nominated peers. This would be a huge and dangerous extension of prime ministerial power. It would be wholly unacceptable to the Conservative Party."

Nevertheless, Mr Hague accepted that the balance of power had changed in society, and the requirement to have a House representing the interests of property and land had "diminished". Because of that, the Conservative Party was "open to suggestions about how membership of the Lords might be changed, too, and whether the hereditary principle is the right one to employ when choosing members for the House".

Mr Hague's speech, entitled

"Change and Tradition: Thinking Creatively about the Constitution", was based on the premise that once Labour's changes had taken place, it would not be possible to turn the clock back.

But the Tories would need to have their own programme of constitutional reform, to correct "the dangerous imbalances and tensions which Labour's constitutional reforms will unleash."

"We must seek the construction of a set of constitutional relationships which will preserve the key, overarching principles of our existing constitution: limited government, the rule of law, the unity of the kingdom and, above all, democratic accountability," Mr Hague said.

He would be open to radical suggestions, but he said the Tories might have to think of creating an English parliament, as a response to devolution of power to Scotland and Wales, and Parliament might have to become accountable for the appointment of judges, if the judiciary was to be politicised by human rights legislation.

As for referendums, Mr Hague warned that they could amount to little more than "cosmetic democracy". He criticised proportional representation as "a profoundly undemocratic measure masquerading under the banner of democracy" - which he would "have no truck with".

Mr Hague, who also said that the ability of Parliament to hold the executive to account needed to be strengthened, urged his party to work with him to provide answers to the constitutional legacy that would be left by Labour.

## The badger's friends protest (with a little help from Linda and Paul)



Sett for action: Protesters arrive at Westminster yesterday to lobby about plans to cull of 10,000 badgers

Photograph: John Voos

By Stephen Goodwin  
Heritage Correspondent

WITH the blood sports lobby and their rural fellow travellers due to march in the capital on Sunday, friends of the badger and the hare are getting their protests in first.

The National Federation of Badger Groups was demonstrating at the Commons against plans to cull 10,000 badgers in a five-year experiment on how to eradicate tuberculosis from cattle.

And anti-hunt campaigners demonstrated yesterday at Aitcar on Merseyside on the first day of the Waterloo Cup, Britain's premier hare coursing event. An attempt was made to present a 5,000 signature petition against the sport signed by Linda and Paul McCartney to the cup host, Lord Leverhulme, but was not accepted.

The event has been held since 1836 but animal welfare groups are hopeful that this year will bring the cup's Waterloo. Hare coursing would be outlawed along with fox hunting under the Wild Mammals (Hunting with Dogs) Bill going through Parliament.

The good life? page 16

## Mould cracking at last, say Lib-Dems

By Anthony Bevins

THE LABOUR and Conservative two-party mould is beginning to crack open, Liberal Democrats are to be told at their annual spring conference, at Southport, next month.

Appealing for endorsement of the party's current stance of "constructive opposition" to the Labour government, the party leadership tells representatives: "If it ain't broke, don't fix it."

In a policy paper, *No Glass Ceilings*, the party executive says that since last year's election, the Liberal Democrats have become recognised "as the most effective opposition, working

with the Government in some areas to implement our long-standing objectives, and vigorously opposing them in others."

"What is more, we have gained our new-found strength at a time of great fluidity and uncertainty in British politics. With divisions opening up within both the other parties ('Old' Labour and 'New' Labour, 'Euro-sceptic' Conservative and 'One Nation' Conservative) the two-party mould is beginning to crack, the paper asserts.

"The possible advent of a proportional voting system and a pluralist political settlement only goes to exacerbate these uncertainties."

## Water clean up under threat

By Nicholas Schoon  
Environment Correspondent

WATER bills must not be cut, MPs of all parties warned yesterday. They should be held level so that more money can be pumped into curbing sewage pollution on beaches and in rivers.

The cross-party House of Commons Environment Committee also launched a blistering attack on the two government regulators of England and Wales's water industry, Ofwat director general Ian Byatt and the Environment Agency.

Mr Byatt, said the MPs, was fixated on pushing through a price cut for water customers during the next price-setting exercise for the industry. But he was ignoring the bigger picture; that customers wanted higher

standards and a cleaner environment. The Committee said it regretted "he chose to interpret his duty to customers only as protecting their pockets".

As for the Environment Agency, yesterday's report on sewage treatment and disposal suggests this is a weak green watchdog which suffers from being under-funded by government. The MPs criticised the attitude of one top agency official towards public openness as being "flippant and condescending". Their report says "one could be forgiven sometimes for imagining that the environment agency is a sub-branch of Ofwat."

The MPs found that standards for treating the 14 billion litres a day of sewage Britain produces had improved markedly since privatisation nine years ago. But that was

only to be expected, since average bills to households for treatment had risen from £64 in 1989-90 to £123 this year. But there was a real need for further progress, and the Committee believes this can be achieved without price rises.

It says that by 2002, just four years away, all sewage should receive three levels of treatment which removes 99.9 per cent of bacteria in the final effluent as well as removing nearly all of the nutrients. It is this combination of nutrient feed and bacteria which does most of the environmental harm to rivers, in severe cases starving them of oxygen and wiping out aquatic life. The report points out that three of the major water companies are already committed to introducing this three-stage treatment to all their works, eventually, and

says all the rest must follow.

The MPs also have grave concerns about the practice of spreading the sludge from sewage works on farmland as a fertiliser, which could potentially contaminate food with viruses and bacteria as well as building up concentrations of toxic heavy metals. This practice is set to increase because of a ban on dumping sewage sludge at sea which comes into force this year.

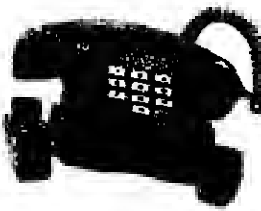
The Committee says that by 2002 all sewage sludge placed on farmland must undergo pasteurisation treatment which kills most of the bacteria in it. And the practice of using it as fertiliser should no longer be regulated with a voluntary code of practice. "These are tough recommendations but we believe they are realistic," says the report.

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## Heroin cure may have killed six

By Steve Boggan

A VIETNAMESE herbalist who gained worldwide acclaim for inventing a "miracle" cure for heroin addiction may have covered up the deaths of up to six patients in his care.

Health officials in Hanoi have evidence that a clinic run by Tran Khung Dan bribed at least one family to bury their son's body without informing the authorities.

United Nations sources in New York - who have launched costly trials on the "cure" - told *The Independent* yesterday that they believe more cases are being investigated, yet testing on the drug is likely to continue.

Mr Dan sprang to worldwide prominence last November when his secret formula, called Heantos, attracted the attention of the world's media. A former construction worker and herbalist, Mr Dan claimed he deliberately became an opium addict to see whether he could find a natural way to detoxify himself.

After travelling from village to village in the highlands of Vietnam, he put together a secret concoction made up of 13 plants which appeared to help

some addicts kick their habit.

Although no formal evaluation had been undertaken, visiting American politicians brought the treatment to Bill Clinton's attention. Pressure was brought to bear upon specialists in addiction to investigate and the UN Development Programme reportedly allocated £240,000 to the project, with a possible £2.4m to follow.

Now, however, Mr Dan's activities have been branded illegal in Vietnam - because Heantos is untested and unlicensed - and there is a split within the UN on whether to proceed with trials.

In an interview with *The Youth* newspaper in Vietnam, Nguyen Hun Lam, vice-chairman of the Vietnamese ministry of health's drug control committee, said stocks of Heantos "illegally" produced by Mr Dan and several partners had been seized.

More disturbingly, he added: "This illegal operation led to a serious consequence causing death to [a patient] on 30 July 1997 during treatment at the Heantos Detoxification Centre. The centre management negotiated with the victim's family and offered to provide 15

million Vietnamese dong [approximately £1,500] for the family to bring the body to the village for burial without reporting the case to the local administration and relevant authorities."

There is a row between officials at the UN Development Programme (UNDP), which wants to proceed with tests on Heantos, and the UN Drug Control Programme, which is sceptical. It is understood the UNDP is refusing to pass on details of the Heantos formula to the Drug Control Programme.

"We can't say whether this thing works or not because there have been no formal tests and no follow-up work to see whether the addicts are still off their drugs," a UN source said. "We are hearing from Vietnam that there might have been as many as six deaths that had gone unreported."

Some experts suspect Heantos may contain kratom, a plant from Thailand and Vietnam which, when chewed, acts on the same brain receptors as heroin. "If that is the case, then this isn't a cure, it's a substitute and it would be no better than the methadone we give people now," said the source.



## Hats off to student picture winner

STUDENT photographer Geoff Davies, from Nottingham, went one better this year than last by taking first prize in the Ucas/Independent student photographic competition. His winning entry *Blue Hat* (left) earns him a prize worth more than £1,300.

Runner-up was Clementine Sandison, from Gwent, with *Rich and Anne* Portraits.

The Universities and Colleges Admissions Service Independent competition - run in conjunction with Jessops, Linneys Colnour Print, STA Travel, and *Photo Answers* magazine - attracted more than 1,000 entries.

Winners were also chosen in four individual categories: Students at Work (Michael McMahon, Michelle in New Library); Student Travel (Jörg Wegner, *baguette*); Portraits (Nicholas Hughes, *Moral Rights Asserted*); and On Campus (Ross Harvey, *Double Exposure Around Campus*).

## Cholesterol tests unlikely to save lives

By Jeremy Laurence  
Health Editor

CHOLESTEROL screening is unlikely to save lives and can be misleading or even harmful, a report says today.

People who discover they have a raised cholesterol level in their blood may even start to feel ill - simply labelling them as "high cholesterol" may cause them to "adopt the sick role".

Two-thirds of GPs offer some cholesterol testing and

one survey showed that 28 per cent of people aged 45-64 had had their blood cholesterol screened in the last three years.

A review of research on the role of cholesterol in heart disease says that although it is an important factor, by itself it is a poor predictor of heart attacks. Most men who have heart attacks have a level at or below the average of 6 mmols per litre. Focusing on cholesterol may distract from bigger risks like high blood pressure.

The study, by the NHS Centre for Reviews and Dissemination, a government-funded agency, says that cholesterol-lowering drugs do save lives among patients at high risk - smokers, or couch potatoes - but are not appropriate for people whose only risk is a raised cholesterol level.

Cholesterol-reducing drugs are expensive and spending on them has risen more than five-fold since 1993 to £113m. Other drugs which can cut the risk of

heart attacks, such as aspirin, are cheaper and should be tried first, the report says.

One drug, Lovastatin, is set to come off patent next year which could bring a sharp fall in its price, saving the NHS millions. But Lovastatin is only licensed in the US and its manufacturer, Merck, Sharp and Dohme, has no plans to license it in the UK because it would be a rival for Simvastatin, also made by MSD, whose patent runs until 2008.

## Rail crash families must wait for justice

By Randeep Ramesh  
Transport Correspondent

THE families of the seven people killed in Britain's worst rail disaster since 1988 will have to wait "for years" before the cause of the accident can be investigated.

Lawyers for the families of victims killed in the Southall crash last September say that with possible criminal prosecutions pending, it could be 18 months before a public inquiry

can start and the first evidence is heard. Professor John Uff, the inspector appointed to head the public inquiry which opened and adjourned yesterday, promised everything would be done to restart the investigation as soon as possible.

But the mother of one of those killed said the delay was "unbearable". Maureen Kavanaugh, 51, of Laindon, Essex, whose son Peter, 29, was killed in the crash, said it was very difficult for families to cope with the

inevitable delay to the inquiry. "This has devastated my life. Peter was my only son and I loved him. I want to see justice done," she said.

Professor Uff said that to go on with the inquiry might have prejudiced any prosecutions arising from the crash in west London. The accident occurred when a packed Great Western express train was in collision with an empty goods train.

More than 150 people were injured in the crash which, in

terms of fatalities, was the worst since 35 people died in the Clapham crash in 1988.

John Hendy QC, representing 32 victims of the crash, including the families of five of those killed, told the inquiry: "It may be 12-18 months before the process of prosecution is completed." Mr Hendy called on the rail companies in the meantime to release documents to the victims' families which could help establish what happened on the day of the disaster.

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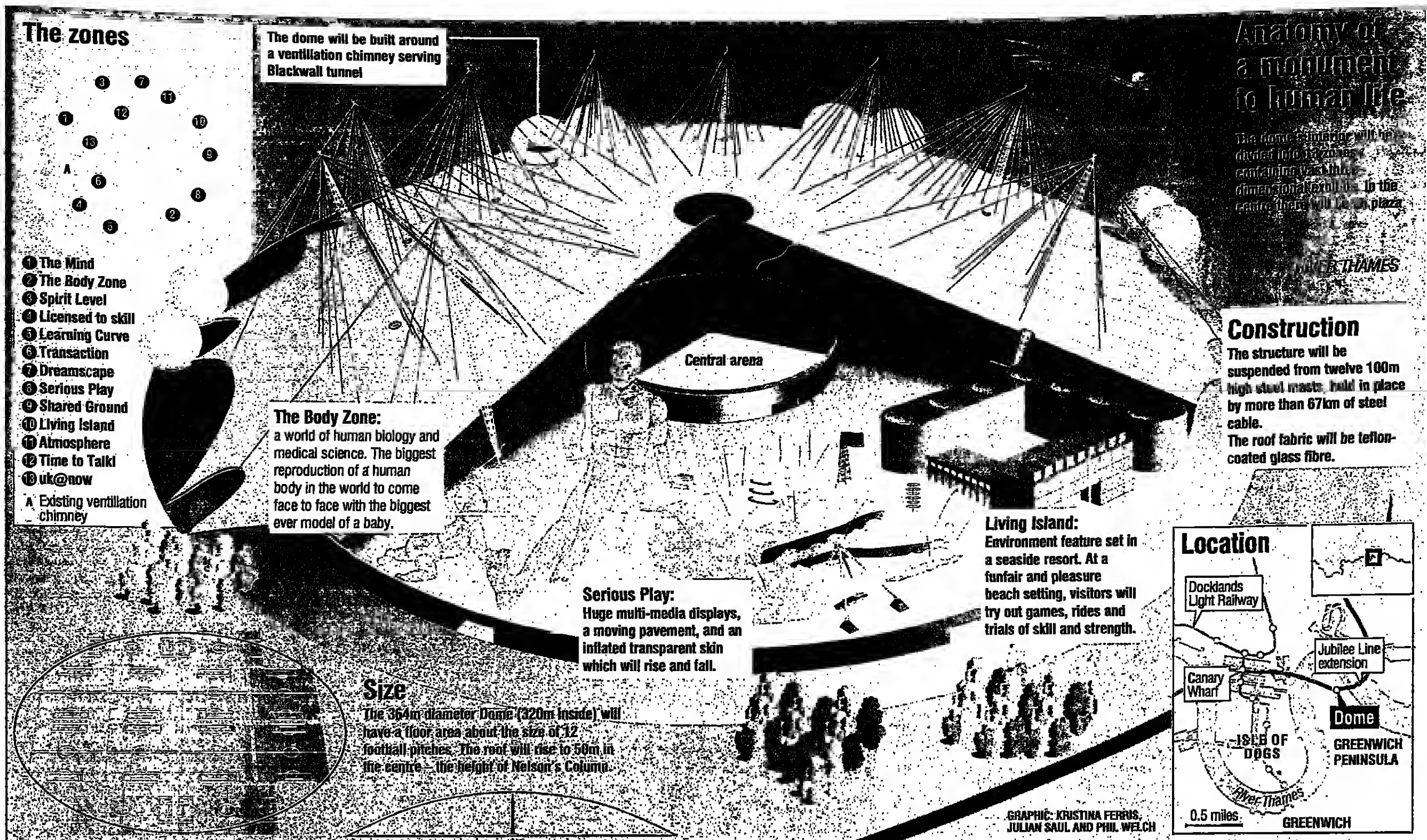
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# Blair, as lid of Dome is finally lifted



## All human life takes a trip into time

By David Lister  
Arts News Editor

YOU walk into the androgynous zone: a vast human body, devoid of gender. You enter through the waist, take a lift up to the brain and exit through the ankle.

This is the Body Zone, one of 13 zones at the Dome — though one might yet turn out to be a "virtual zone". All human life is certainly here: the body, the mind, the spirit, work and play, rides and live performances. One can even glide with a dozen or so others on a floating bed, the float-coaster. Welcome to the Millennium Dome.

**The Body Zone:** Visitors are taken into the world of human biology and medical science inside the sitting human figure, which will be covered with pictures of children. Health reproduction and cosmetic surgery are all explored. And one exits the biggest reproduction of a human body in the world to come face to face with the biggest ever model of a baby. Family values usher in the new millennium.

**Spirit Level:** Here, say the Dome's managers, you will "experience a moment of peace and reflect on our deepest common beliefs".

Basically, you choose your religion, choose the appropriate garden and reflect. There will be, it is somewhat optimistically promised, "oases of calm" set within an area of garden which draws inspiration from the sheltered calm of a Christian monastic cloister, the austerity of Japanese Zen gardens and the formal exuberance of Muslim gardens.

**The Learning Curve:** This will feature classrooms of the future via a themed ride, and you will be able to talk to children in their schools worldwide on the Internet.

**Licensed to Skill:** This zone, peppered with buttock-cleaving puns, looks at

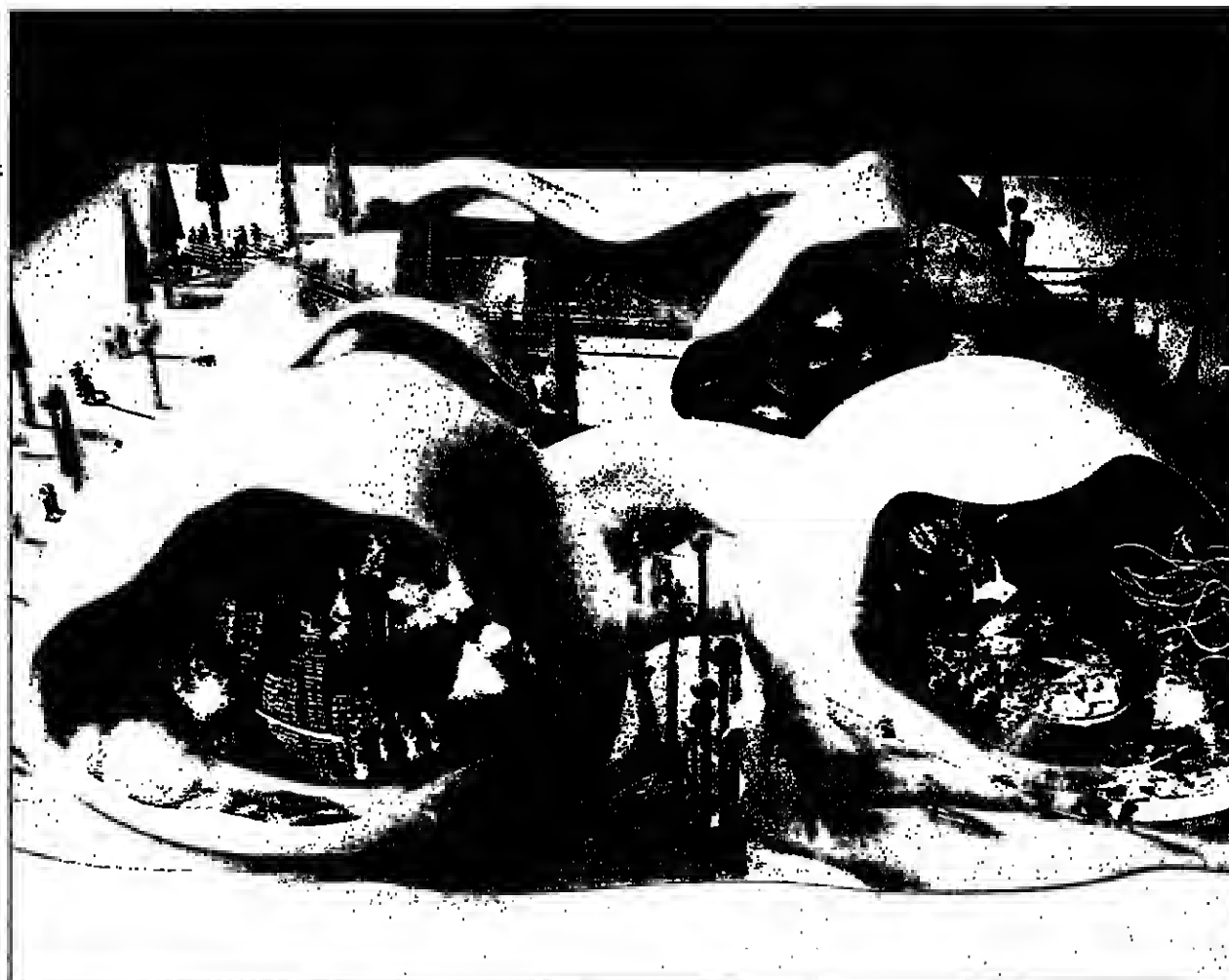
changing employment opportunities through multimedia galleries.

**Dreamscape:** Home of the "float-coaster". The closest the Dome comes to being a health farm. This zone promotes relaxation and contemplation. Adults and children take their seats in boats which are designed as 16-seater beds, floating off through dream environments.

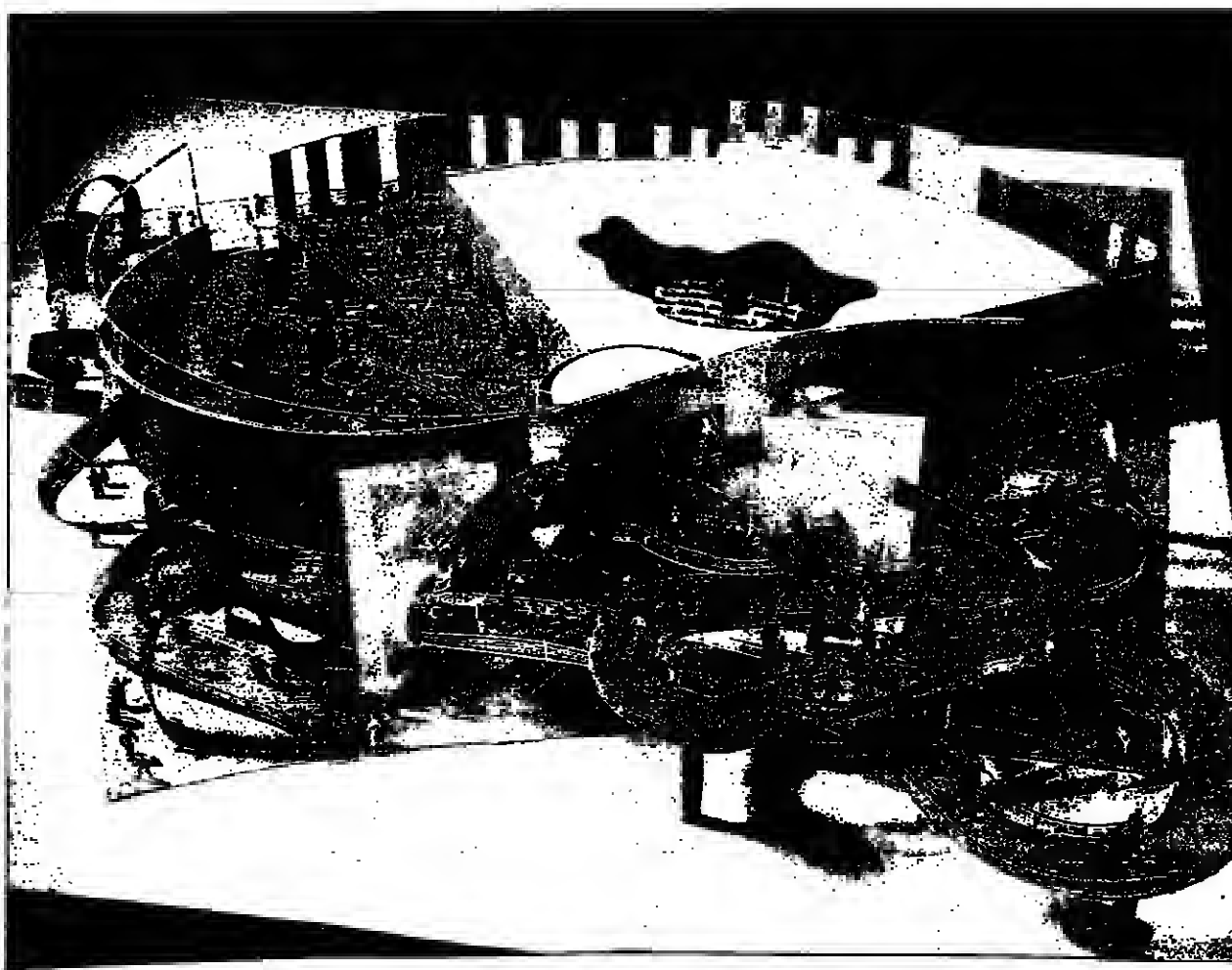
**Serious Play:** This is the most technologically animated area of the Dome. Huge multimedia displays rise towards the roof. The Parallax ride takes visitors upwards on a moving pavement. Coherent images resolve from apparently formless colours and shapes while an inflated transparent skin gently rises and falls. From the top of the ride, visitors can abseil, climb or simply take a lift down to a lower level and hands-on play activities.

**Living Island:** This explores our relationship with the environment through the curious location of a British seaside resort complete with beach, fish and chips stall, deck chairs, sun and sea. In a funfair and pleasure beach setting, visitors try out games, rides and trials of skill and strength. It's billed as "the environmental challenge as it has never been seen before". And who would argue with that?

Zones, on which no details have yet been released, include: Transaction, which will show how money and finance are changing your life; Shared Ground, a journey through the British Isles; The Mind, which will allow you inside the human brain; Atmosphere, in which you can experience the wonder of the planet; Time to Talk, where we learn better ways of talking to each other (an area sponsored by BT); and UK@now, where we apparently will learn, perhaps on the internet "what being British means for all our futures".



Other worlds: A model of the Dreamscape zone (above), home of the float-coaster which takes adults and children in 16-seat 'beds' along a dream river through surreal landscapes - 'setting their minds free'; Learning Curve (below) concentrates on education - visitors will be able to contact children in schools all over the world via the Internet



## Hi-tech displays leave a lot of space to fill

By Nonie Niesewand  
Architecture Editor

THE DOME might be one of the architectural wonders of the late twentieth century, but filling the largest building of its kind in the world in the digital age is a difficult task.

The danger is that the amount of information that can be conveyed via the Internet, and using virtual reality and interactive games, will replace a lot of props and leave a lot of empty space. To compensate for the blandness of multimedia, designers will pack in over-scaled human figures, floating beds for dreamscapes and gigantic roller-coaster rides.

The Teflon-coated dome drops into place in a fortnight to cover 20 acres on the North Greenwich Peninsula. So the countdown has started to filling it with a display sufficiently thrilling to entice people from all over Britain to visit.

Visible within domed area, 320 metres in diameter, are nine segments. These segments have been zoned to tell the story of time with interactive displays and exhibits chosen by 11 design teams.

When you can land a jumbo jet just by strapping on a virtual reality helmet and taking the controls, there is no need for

a lot of props. There is little need for the plinths and display cabinets found in traditional museums and galleries.

At its centre, the Dome is 50 metres high, as tall as Nelson's Column. This is the "Body Zone". Here reclines an androgynous figure, 23 metres tall which is entered through its waist, for an exploration of its internal organs, and exited through the heel.

In the Environment Zone, beaches and piers tempt families for an virtual outing to contrast with the Learning and Work Zones. Four hundred virtual reality helmets in the Work Zone allow visitors to record their hopes and fears about their jobs.

The Learning Curve lets visitors surf the Internet. The Serious Play Zone will deliver sport and leisure activities on a moving pavement.

Groovy little curved pods replace the crèche with a float-coaster ride in a bed with 15 other kids to give parents time to unwind.

The Spirit Level, as the New Millennium Experience calls the spiritual area, is currently without a sponsor, or indeed a theme. But the Lambeth Group, a multi-faith advisory body, is in consultation with New Millennium Experience team on the contents.

## Brave new words of apocalyptic promise

IT's emotional, apocalyptic and can end up meaning nothing at all. The Dome has already given us a new invention for the millennium: Domespeak, writes David Lister.

As the New Millennium Experience unveiled some of the Dome's contents yesterday, they did so in language that, perhaps fittingly for the new millennium, seems a mixture of sci-fi movie and Blairite Cool Britannia. And, being bashful souls at the Experience, they would not own up to who had written the script.

Domespeak may be apocalyptic in its promises. "... exhibits will open up the choices facing humankind ...", but the

zones seem to have been named by a failed headline writer. One can live with Spirit Level for the religious zone, but Licensed to Skill for the world of work just does not pass the cringe factor. Perhaps the latter was intended as a light antidote to the description of the exhibit itself. Who can say what "the animatronic orchestra of work" actually means. Presumably the same person who can answer the question describing the Dreamscape zone: "Is rest a state of stagnation, or a state of healing, recovery, preparation and regeneration?" That's a tricky one. I'll have to lie down and try to work it out.



# Chinese accused of selling criminals' bodies

By David Osborne  
in New York

New York authorities confirmed yesterday that they had arrested two men on charges of conspiring to sell human organs for transplant, including kidneys, corneas, livers and skin, taken from convicts executed in China.

The arrests point to a lucrative trade in organs removed

from Chinese convicts at their hour of execution and sold at steeply discounted prices to buyers in Western nations. The number of executions in China has risen sharply recently to about 6,000 a year.

Through the pair arrested in New York, for example, an American patient could receive a new kidney in a Chinese hospital for between \$20,000 (£12,500) and \$30,000, far less

than would be the case in an American hospital. No questions would be asked about the origin of the kidneys.

The men, one of whom is believed to be a former public prosecutor from the Chinese province of Hainan, were snared in a sting last week. An agent of the FBI met them and pretended to be a medical executive looking to purchase organs for transplant.

The arrests may provide the US with a first documented case of what Chinese dissidents and rights organisations have been telling Western governments for years: that Peking has allowed an international trade in organs taken from inmates to grow unimpeded and even to flourish. The accused are Cheng Yong Wang and Xingqi Fu. Prosecutors said Mr Wang described himself as

a former Hainan prosecutor, while Mr Fu said he operated a New York laundry.

Among those who have long urged action against China on the issue has been Amnesty International in London. The entrapment of the men in New York was set in train by the dissident Harry Wu, who spent 19 years in Chinese prisons and is now an American citizen.

Mr Wu met the two men on 13 February, also masquerading as a potential customer. He had a camcorder concealed in a box and taped the encounter. He passed the tape to the FBI, which felt impelled to arrange its own sting.

Mr Wu said he had been told by the pair that they could get access to the organs of at least a quarter of the roughly 200 inmates who are executed in Hainan each year. In the sub-

sequent meeting with the FBI agent the men first offered to supply just kidneys and to arrange for US patients to have transplant operations in China. They also told the agent they could provide him with corneas at \$5,000 a pair and boasted that they could also offer pancreases, lungs and skin.

supply to him "would come from non-smokers".

If the charges are made to stick in court, the case could spur Washington into making a formal approach to Peking about putting a stop to the trade.

A spokesman for the US State Department told the New York Times: "We're naturally concerned about these allegations, and we're looking into it."

## Russia's black knight makes a global move

BEHIND the electric gates, high walls and immense curtains that enclose the apricot-coloured mansion which serves as his Moscow residence, Kirsan Ilyumzhinov is busy refining his latest sales pitch.

He is building the equivalent of the Vatican, he announces with the cheerful air of a man imagining his own headlines rolling off the presses. His tiny new society will be a state-within-a-state.

It will have its own parliament, cabinet, prime minister and chief executive. But the focus of this brave new world is not church but sport, the intellectual battle for superiority on a checkered board. The place will be called Chess City.

Hard selling is a required skill for the 35-year-old Mr Ilyumzhinov as the obscure patch of the planet over which he rules needs all the help it can get. Until now "spin" referred to wool, a principal Soviet-era earner for the impoverished Kalmykia, one of Russia's autonomous republics. But its boyish-looking boss seems well-versed in its modern meaning.

His job is to attract global attention, and thus investment, for a semi-arid triangle-shaped territory on the steppes of southern Russia between the Volga and the Don at the top end of the Caspian Sea. With only 321,000 mostly poor inhabitants (outnumbered ten to one by sheep), the task would deter any ordinary leader.

However, Mr Ilyumzhinov is not ordinary. He has the determination of a pit bull (a popular animal in his fiefdom, where dog fights regularly pull a crowd), boundless ambition, a scornful disregard for ideology (he is both an admirer of Bill Clinton and a close friend of Saddam Hussein), and a tremendous flair for publicity. It is a combination of these characteristics that recently underlay Kal-

Phil Reeves in Moscow reports on Chess City - a capital adventurer's new Utopia

mykia's failed efforts to buy Diego Maradona for its football team, Uralon.

Chess is taken even more seriously than soccer. Mr Ilyumzhinov has issued a decree stating that all schoolchildren would study chess, according to the same status in the classroom as mathematics. He maintains that since then juvenile crime has plummeted. "Chess develops the brain, makes you industrious and diligent and able to foresee your next step", he says. Even issues of faith are overshadowed by the game in Russia's only Buddhist republic (the Kalmyks originate from central Mongolia). As one presidential aide put it: "No one gets anywhere... unless they can play chess."

Ruthless determination is the hallmark of Mr Ilyumzhinov's curriculum vitae. A millionaire in his late twenties, with an import-export business in the last Soviet years, he won the republic's presidency in 1993 after illegally promising \$100 to every voter. When he wanted to dump his legislature, he paid it to dissolve itself, ushering in one that gave him still greater powers. Opposition opinion was stifled.

The federal authorities in Moscow paid little attention. Why should they? The President was a Yeltsin loyalist, whose electorate could always be trusted, as one official wryly put it, to "vote accurately" when it came to choosing the occupant of the Kremlin.

When stories of high-living and fleets of Rolls-Royces

reached their ears, tax inspectors arrived to probe his income, which he declared as \$1.1m. He invited the television cameras in, entertained them generously, and gave them a prize stallion. They left without a story.

It is this street wisdom that Mr Ilyumzhinov is drawing on to pursue his dream of building a self-governing city as the forum for international chess contests. He has a missionary's zeal, being a former champion of the republic and president of the World Chess Federation, which, though there has been a split, retains its claim to be the sport's governing body. Last year, he hosted the world championship match between Gata Kamsky and Anatoly Karpov; this September, the Olympiad contest will be held in Kalmykia.

Construction of Chess City has already begun. Luxurious houses are beginning to sprout on a dusty site in south-eastern Elista, the republic's modest capital. The plans include three luxury hotels, an aquacentre, homes for 5,000 people, a chess academy and a grand central square. The promotional literature foresees a Utopia - a "cradle of highest achievements of human genius".

The city, whilst still subject to republican and federal law, will have a 10-person parliament to make local laws under a "king", or mayor, and "queen", the prime minister. The president also wants it to be an economic free zone. "I want to see if it works," he says.

The development is headed by a Russian-Serb joint venture but, in the end, it is the work of a man whose creed is that of most of the ruling elite that has occupied the ruins of the Soviet Union. "I am neither communist, nor democrat. I am a capitalist," he says. In Kalmykia, that makes this particular chess fiend a king.



Opening gambit: Kirsan Ilyumzhinov (centre) and FIDE world chess champion Anatoly Karpov (right) looking on at a party as a man in traditional Mongolian costume prepares to throw a spear Photograph: Reuters

## Race row simmers at SA school

Riot police fired a stun grenade to halt a confrontation between white and black parents at a formerly white high school in the South African town of Vryburg. White parents attacked black pupils with whips after 100 black students held three white school officials hostage a day earlier at Vryburg High School. Police freed the hostages on Monday. The pupils went to the administration offices to protest at the expulsion of five black students for non-payment of fees, according to the chairman of the school governing body.

— AP, Vryburg

## Kidnap hospitality

On the sixth day of a hostage standoff, kidnappers and their three UN captives shared food, wine and camaraderie while negotiators worked toward talks to resolve the crisis. In Moscow, the Foreign Ministry called in Georgia's ambassador to protest at statements suggesting "certain forces in Russia" were behind an assassination attempt against Georgian President Eduard Shevardnadze.

— AP, Dzikhaskori

## Kinshasa tense

Opposition militants in the Democratic Republic of the Congo called for a strike this week to protest at the banishment of their populist leader, Etienne Tshisekedi, from the capital, Kinshasa. Such a strike could lead to a clash with forces of President Laurent Kabila, who has banned political activity since seizing power in the former Zaire last May.

— Reuters, Kinshasa

## Refugee crisis

About 1,000 refugees a day are fleeing Sierra Leone's war into Liberia, the UNHCR agency said. They were fleeing fighting in the towns of Bo and Koenema between troops loyal to the military junta ousted from the capital, Freetown, a week ago and the Nigerian-led ECOMOG force.

— Reuters, Geneva

## De Niro fury

Robert De Niro, questioned this month in Paris by a judge investigating a call-girl ring, says he will never return to France, will tell his friends to stay away, plans to boycott the Cannes Film Festival and will send back the Legion of Honour.

— AP, Paris

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## Sombre South Korea hails its new leader

By Richard Lloyd Parry  
in Seoul

KIM DAE JUNG, the former dissident and political prisoner who survived sentences of death, abduction by assassins and defeat in three previous elections, will be inaugurated as president of South Korea this morning in an atmosphere of exultation which only partly masks an atmosphere of deep national apprehension.

He is the first opposition politician to lead South Korea, a sign of political maturity that coincides with the worst economic crisis since the Korean War. Since his narrow election victory, Mr Kim has been an unofficial acting president, eclipsing his predecessor and rival, the discredited Kim Young Sam. But South Koreans have little expectation of any quick solutions to their problems.

As the new president leads a victory procession through Seoul tomorrow, the finance ministry will announce a list of

merchant banks to be closed as part of a restructuring insisted on by the IMF in return for a \$60bn (£38bn) rescue package. And, despite recent positive signs from North Korea, Mr Kim yesterday said the state of the South's economy means it will be at least a decade before the peninsula is reunified.

Hotels in Seoul were turning people away last night as the city filled with guests including Michael Jackson, Elizabeth Taylor and the former Philippines president Cory Aquino, an unusual phenomenon in a country which saw its economy turned upside down by the currency crisis last year. The Korean won is worth barely half what it was a year ago, and South Korea's formerly powerful conglomerates, the *chaebols*, have been crippled by paying back foreign loans which have doubled in value.

During his election campaign Mr Kim's instinct for populism got the better of him when he hinted that he would

reject the unpopular deal worked out between Kim Young Sam's government and the IMF. However much ordinary South Koreans may have agreed, the markets plunged. Since his victory, however, Mr Kim has more than made amends, affirming the IMF agreement, and brokering compromises between the *chaebols* and the country's militant unions, which have traditionally supported him but now face large-scale redundancies.

Officials speak of "front-loading" Mr Kim's programme so that the most painful reforms are carried through during the new president's "honeymoon" period. This week he was officially absolved of accusations that he amassed a fortune in bribes, like two former presidents whom he released from prison. But spring is the season of protest in South Korea, as students return to universities. A fortnight ago a general strike organised by the biggest union was called off at the last minute.

## Mossad chief quits over failed assassination

General Danny Yatom resigned yesterday as head of Mossad, Israel's external security service, after criticism by a commission investigating a botched attempt to assassinate a Hamas leader, Khaleel Me-shal, in Amman in September, writes Eric Silver in Jerusalem.

It found the operation flawed in conception and planning. "The head of the Mossad bears a heavy responsibility in these matters," a majority report left a decision on Gen Yatom's future to the government, but hinted that he should be dismissed. The

Prime Minister, Benjamin Netanyahu, declined to dismiss him, but hoped that he would leave in summer after completing two years in the post. The general's resignation followed a report yesterday of a mutiny among senior Mossad officers.

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## Clinton aide fights new Starr subpoena

By Mary Dejevsky  
in Washington

The already tortuous saga of President Clinton, the White House trainee and the American legal system took another twist yesterday when the leading White House media adviser, Sidney Blumenthal, went to court to contest a summons to testify in the case. Mr Blumenthal, a close associate of the Clintons, said he was "outraged" to be called and described the subpoena as a violation of his constitutional rights as a public servant.

The independent prosecutor, Kenneth Starr, wants to question Mr Blumenthal not about the main allegation in the case - that Mr Clinton had an affair with the trainee, Monica Lewinsky, and told her to lie about it - but about a possible sub-plot. The specific alleg-

ations against Mr Blumenthal are that he orchestrated a media campaign against Mr Starr that was designed to move the spotlight away from Mr Clinton and on to the role, power and motives of the independent prosecutor.

Mr Starr is demanding that Mr Blumenthal, a former journalist, hand over records of conversations and meetings he had with reporters about the Lewinsky case. But in Washington, the very idea that Mr Blumenthal, a specialist in the art of media spin and massaging reporters, might be compelled to lay bare his strategy and methods, has been greeted with horror as it would threaten the cosy relationship between politics and media that makes the US capital tick.

The mini-contest between Mr Blumenthal and the prosecutor's office illustrates the extent to which the Monica

Lewinsky case is developing into a personal confrontation between President Clinton and the independent prosecutor, Kenneth Starr, with aides and supporters ranged on either side. The Clinton camp, led by Hillary Clinton, regards Mr Starr as politically motivated - out to get the President by fair means or foul. They have accused his office of allowing, if not encouraging leaks of evidence damaging to Mr Clinton.

Mr Starr's supporters contend that he is only doing the job he was appointed to do: investigate allegations about the legality of Mr Clinton's conduct, first in the Whitewater land deal in Arkansas, and more recently in the Lewinsky case. Some of his recent moves, however - whether or not they were projected through Mr Blumenthal's lens - have attracted widespread opprobrium.

They include the aggressive questioning of Monica Lewinsky's mother, Marcia Lewis, about her daughter's relationship with the President. Ms Lewis broke down after two days on the stand and her lawyer is now petitioning for her to be relieved of any further obligation to testify on grounds of ill-health. The decision to have a mother testify about her daughter, while quite legal, has been condemned.

But harsh and distasteful methods have not been the exclusive preserve of the prosecutor's office. The *Washington Post* has given details of the line of inquiry being pursued by Mr Clinton's defence team in the sexual harassment case brought by Paula Jones. According to the *Post*, every aspect of Ms Jones's private life is being investigated. Former lovers, colleagues and employers have been turned up, all directed at presenting her as promiscuous and unreliable. That trial is set to come to court in Arkansas in May.

Back in Washington, the Clinton team may not be displeased with the multiplying subplots in the Lewinsky investigation, despite Mr Blumenthal's indignation. They serve to delay the star appearances in the case - expected testimony from Ms Lewinsky herself and perhaps also from Mr Clinton - and keep the public happily distracted.

The current mood - more redolent of a spectator sport than lofty legal argument - was summed up in reactions to a suggestion from Ms Lewinsky's PR-minded lawyer that his client was running out of money and needed a legal fund. Laughter, rather than tears, was the public response.

## Super-scribe genius, or baleful manipulator?

Depending on who you talk to, Sidney Blumenthal is a media genius or a malign manipulator, writes Mary Dejevsky. In the White House, where he is a reportedly highly paid communications aide, he is a resented parvenu or a valued member of the team.

A longtime journalist, as a reporter for the *Washington Post*, *New Republic* magazine, and most recently *The New Yorker*, he is a close associate of Hillary Clinton. It is she, the word goes, who recruited him to the White House last June, after a flurry of rumours that he was leaving *The New Yorker*.

Aged 49 and a Chicago native, he is seen as a staunch supporter of the Clintons, prompting the quip that when he joined the White House staff he would be paid for doing what he had previously been doing for free. He is an Anglophile, credited with "discovering" Tony Blair in a profile for *The New Yorker* and smoothing the first encounters between the Clintons and the Blairs.

In the Washington political context, he is regarded as an intellectual. He has been given responsibility for millennium celebrations and has adopted the cause of press freedom around the world as a personal crusade. This sideline could stand him in good stead as he grapples



Sidney Blumenthal: Never fails to elicit strong feelings

with what could become a landmark legal case. He is suing an exponent of Internet journalism, Matt Drudge - who broke news of the Lewinsky allegations - for \$30m (£8m) for insinuating that he beat his wife. The report appeared on Mr Blumenthal's first day at the White House and he sees the allegation as a deliberate smear. The White House is backing him in his suit, which could establish whether reports on the Internet are subject to the same laws of libel as other published material - a subject that may be of as much interest to the President as to his adviser.



Luciano Pavarotti with Aretha Franklin and members of the group Boyz II Men in New York yesterday, after the opera singer was named Person of the Year by the charity Muscare for his philanthropy. Photograph: AFP

## Florida counts cost of tornado disaster

By Phil Davison  
in Miami

President Bill Clinton will today tour a tornado-ravaged belt of Florida, close to Walt Disney World, where a dozen twisters killed at least 38 people within a few minutes in the small hours of Monday.

The death toll made the disaster worse, in terms of human life, than Hurricane Andrew which devastated Miami and southern Florida in 1992, killing 32 people, including some in Louisiana and the Bahamas.

More than 250 people were injured in Monday's catastrophe in the Orlando area and dozens, mostly mobile home owners, were still unaccounted for.

Florida tourism officials were counting their blessings that the chain of tornadoes narrowly missed the region's popular tourist draws - Disney World, Sea World and the Universal Studios theme park. No tourists would have been at those sites when the twisters tore through the area around 1am on Monday but photographs of the probable damage to their world-renowned instal-

lations would have been devastating to tourism, officials admitted.

As it turned out, all were open for business as usual yesterday, with laughing children enjoying the rides and attractions on a hot, sunny day.

Many left homeless complained of the lack of warning. Officials said warnings went out on local radio and television stations but that most people were already asleep. In addition, the tornadoes, unlike the slower-moving phenomena seen in the Hollywood movie *Twister*, came virtually out

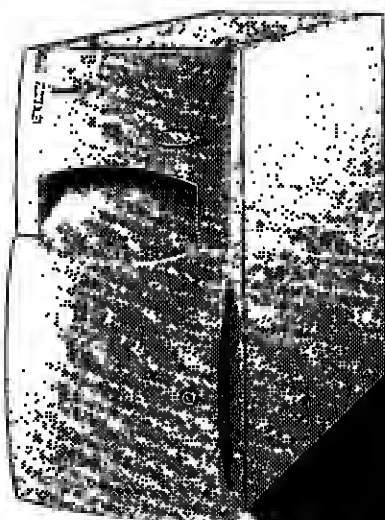
of nowhere, hit the ground quickly and moved on, they added.

Dusk-to-dawn curfews were put into effect in damaged areas to prevent looters yesterday and local county officials invoked emergency laws to stop profiteering in generators, batteries, water and food. Hospitals appealed for blood to help treat the injured.

While most casualties were in mobile home parks hundreds of fixed homes, mainly wooden, were torn apart, with cars and pick-up trucks sucked up and dumped into living rooms.

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# Blair ties British colours to the US mast

TONY BLAIR yesterday signalled that the crisis over Iraq had cemented a closer relationship between himself and President Bill Clinton by telling MPs he "thanked heaven" for the readiness of the United States to "stand up and be counted".

The Prime Minister said the crisis had shown that Britain was "strong with the United States, strong in Europe". And he made it clear Britain would back America in an air strike on Iraq if it became necessary.

Prime Minister pledges support for future military action as crisis cements 'special relationship'. Colin Brown reports

The warmth of the Prime Minister's praise for the lead taken by the United States when he briefed MPs on the diplomatic deal signed by Saddam Hussein and Kofi Annan, the Secretary General of the UN, caused Labour MPs who had opposed the war to shake their heads in disagreement.

Mr Blair was unequivocal in his backing for Mr Clinton, and he denied it would disrupt

Britain's relations with its European partners, in spite of their apparent reluctance to support air strikes.

"I am proud of the fact that Britain has a good and strong relationship with the United States of America. Thank heavens that the Americans are there and willing to stand up and be counted when there are difficult situations that arise in the world," Mr Blair said.

He added: "I personally believe it is important that we have an American administration and an American people who are not isolationist but will take on responsibilities. I further believe that the strength of our relationship is in no way an impediment to Europe acting in a more concerted way, so Britain is strong with the US, strong in Europe."

Stressing the threat of force

had been essential to make Saddam back down, Mr Blair told MPs if the Americans supported a strike he would back them. "I am pleased to say we have had a united position. I am sure that would continue to be the case."

While avoiding triumphalism, Mr Blair said the UN would "do what we can" to assist the opposition forces in Iraq to undermine Saddam. He also

told MPs concerned about the shortages of food and medical supplies in Iraq that the UN was "looking at ways in which we can bypass the Iraqi regime and do more in that regard".

In his statement, Mr Blair said: "While the agreement signed in Baghdad is welcome, it is not in itself enough." Saddam remained "an evil, brutal dictator", he said. "We will not tolerate any repetition of the

Iraqi behaviour which has led to this agreement. We are not going to play more elaborate diplomatic games that allow Saddam Hussein to thwart the inspections regime which has now been agreed."

William Hague, the Tory leader, joined MPs on all sides in congratulating the Government on its firm stance. He told Mr Blair: "We have always made clear our undivided sup-

port for the position of the Government and of the US."

● Paris (AP) — The French Prime Minister Lionel Jospin yesterday endorsed the agreement reached with Iraq. He told the French parliament that France, which pushed for a diplomatic solution since the stand-off began, would give the accord its approval. "This agreement responds in a satisfactory way to the expectations of the international community and will enjoy the support of France," Mr Jospin said.

## What the UN and Baghdad agreed

Key points in the agreement reached between UN Secretary-General Kofi Annan and Iraqi Deputy Prime Minister Tariq Aziz

■ The government of Iraq has made a written commitment to provide "immediate, unrestricted and unconditional" access for UN inspectors to all sites suspected of making weapons in Iraq. If fully implemented, this should allow international inspectors to find and destroy all chemical, biological and nuclear weapons; find and destroy the missiles to deliver those weapons; and to institute a system for long-term monitoring to make sure Iraq does not build more.

■ The agreement applies to all sites in Iraq, including eight disputed presidential palaces, which were among areas to which UN weapons inspectors previously had been denied access.

■ Senior diplomats will be appointed by the UN Secretary-General in consultation with the UN Special Commission for Iraq and the International Atomic Energy Agency to accompany weapons experts inspecting the eight palace sites. No deadline or limits on the number of visits to the sites are included in the agreement.

■ The "special group" appointed by Mr Annan will operate under the established procedures of Unscorn and IAEA as well as under "specific, detailed procedures which will be developed, given the special nature of the presidential sites, in accordance with relevant Security Council resolutions." There was no indication in the document what those as yet undeveloped procedures will entail, a potential trouble-spot.

■ The UN reiterated the commitment of all member-states to respect Iraq's sovereignty and territorial integrity.

■ While there were no time lines for lifting economic sanctions imposed by the UN more than seven years ago, the agreement says that lifting them "is obviously of paramount importance" to the Iraqi people and the Iraqi government.

■ The agreement notes the progress achieved by weapons inspectors in various disarmament areas, and the need to intensify efforts in order to complete its mandate. The Security Council has said that once completed, sanctions could be lifted. Towards the goal of finishing the task, the document says the UN and Iraq agree to improve their co-operation and efficiency.



Caught in the middle: An Iraqi boy sitting between a soldier and a woman holding a portrait of Saddam Hussein at a demonstration of 300 people outside the United Nations headquarters in Baghdad yesterday. Photograph: Reuters

## Misery and hardship: the darker side of UN sanctions

Children are dying as doctors find it impossible to buy drugs to cure them. By Robert Fisk in Baghdad

Not long before Christmas last year, UN Assistant Secretary General Denis Halliday — the bearded and balding Irishman who heads the UN's oil-for-food programme in Iraq — paid a visit to four small Iraqi children suffering from leukaemia in the Saddam Hussein City Hospital.

"The doctors told me they couldn't get the drugs to treat them and I got involved with them," Mr Halliday says in his cramped Baghdad office, the walls hanging with cheap Arab rugs. "With a World Health Organisation colleague, I managed to get the drugs they required — some from Jordan, one from northern Iraq, which means it was probably smuggled in from Turkey. Then I dropped in on Christmas Eve to see the children in their ward. Two were already dead. You know, the doctors who look after these children are incredible characters — you can imagine the effect on them of not having what they need to heal their patients."

Mr Halliday is palpably torn by his task of distributing food and medicine to 23 million Iraqis, all of whom are being punished and some of whom are being left to die in appalling hospital conditions because of Iraq's refusal to submit to full UN arms inspections. At the same time as he was seeking drugs for the leukaemia children, Halliday wrote an impassioned letter to UN Secretary-General Kofi Annan, complaining that what the UN was doing in Iraq was causing untold suffering to innocent people.

"I wrote that what we were doing was undermining the moral credibility of the UN," he says. "I found myself in a moral dilemma. It seemed to me that what we were doing was in contradiction to the human rights provision in the UN's own charter." It was Halliday's idea to permit Iraq to export more oil — to increase it from US \$2bn every six months to \$4bn. "I started selling the idea to the Russian, Chinese and French ambassadors here and they were quick to take it up and convey it to their capitals. The fact that this was accomplished makes my conscience a bit easier."

But Iraq, whose UN sales are strictly monitored — 30 per cent goes to compensate individuals, companies and countries which suffered from Saddam Hussein's 1990 invasion of Kuwait — has not been allowed to use its oil income to repair or maintain the decrepit and war-damaged machinery in its oil fields. Allowed to export more oil — it might have been permitted to sell more than \$5bn every six months — it is deprived of the means of doing so. When Mr Halliday accompanied Mr Annan to see the Iraqi Vice President Taha Yassin Ramadan at the weekend, Mr Ramadan complained bitterly that he had no spare parts to increase the oil flow.

Now a commission of experts is to enter Iraq to see how much it will cost to restore Iraq's pumping and refining facilities. But a far more terrible fate awaits the Iraqi people. With its electrical power stations producing less than 40 per cent of capacity, water and sanitation systems are on the point of breakdown. Hospitals in Basra are filthy, their doctors forced to re-use rub-

ber gloves during operations, their wards without air conditioning or clean water. Without electrical pumps, water is falling in the pipes and sewage is being sucked into the vacuum. To restore full electrical current will cost a further minimum \$6bn.

"The government here used to encourage the use of infant formula, and infant formula with contaminated water is a real killer," Mr Halliday says. "In the south, water and sanitation have broken down. Some of the damage was done by American bombing [in 1991], probably other damage during the Iran-Iraq war. The reason the Iraqis were slow to move on the oil-for-food programme [it was almost two years before Iraq agreed to the system] is because they see this as a national humiliation. They're being given handouts, and it's their own money."

Mr Halliday is a Dublin-born Quaker who worked in Kenya and Iran before joining the UN's bureaucracy in New York; and he is a man who has no great trust in the sanctions which he is helping to impose. "I think the international community has got to find some alternative to sanctions,"

**'The government here used to encourage the use of infant formula, and infant formula with contaminated water is a killer'**

he says. "... we need to find a way of separating the leadership from the people. One way is to stop arms sales. If there could really be control on sales of arms, there could really be controls."

Most of the rejected Iraqi industrial requests are turned down by the UN because of possible dual purpose use. "The Iraqi director general of railways was telling me the other day that he ordered some spare parts for his diesel locomotives in 1988 and paid 4 million French francs for them. Because of the sanctions, he hasn't got them yet. It's a typical dual purpose problem — trains can be used to transport soldiers. Area electric power generators in Iraq are desperately in need of turbine parts, each of which has to be custom-manufactured. The UN has been delaying supplies."

But Mr Halliday worries more about the long-term future of Iraqis, those who survive the UN's punishing sanctions. "There are men and women now in their 20s and 30s and 40s who have known little more than the Iran-Iraq war, the Gulf war and the sanctions. They see themselves as surrounded by unfriendly people, and a very unsympathetic America and Britain. They are out of touch ... They have no access to Western television. And these are the people who are going to have to run this country in the future. They are feeling alienated and very Iraqi-introverted. Their next-door neighbours are going to have a tough time dealing with these people."

## Air-strike force remains on alert

By Raymond Whitaker  
in Ahmed al-Jaber airbase, Kuwait

"I AM not going to let my folks change their commitment until Saddam Hussein complies with the written words of the agreement he has made," said Colonel Kevin Smith, commander of the US Air Force's 49th Operations Group, which includes all the 12 Stealth fighters in Kuwait. "We can't afford to relax our commitment. The people here hope we don't have to maintain this military build-up indefinitely, but they're also realistic. He hasn't followed through yet."

Behind him crouched one of his Stealths. "This is a national treasure," said Colonel Smith. "We won't sell it to anybody. This is the one we trust to go against the heaviest defence, last time it attacked all the important targets around Baghdad. That was during the Gulf war in 1991, which

drove President Saddam out of Kuwait but left him in power in Iraq, still trying to develop weapons of mass destruction and conceal them from United Nations inspectors.

For the moment, following the agreement signed in Baghdad on Monday, it seems that force will not have to be used again. The military build-up in the Gulf is continuing, however: extra American troops, now expected to number 10,000 rather than the 6,000 previously announced, continue to arrive in Kuwait, and the destroyer HMS *Nottingham*, part of the Royal Navy contingent at sea, docked here yesterday to take part in celebrations of the seventh anniversary of the liberation of the country tomorrow.

At Ahmed al-Jaber air base, the apron is crisscrossed with US and Kuwaiti aircraft — Stealths, F-18 fighters with their distinctive V-shaped tails, F-16 fighter-bombers and A-10 "Warthog" tank-busters, which

wrought havoc on Iraqi armour in 1991. There is no room for any more, and equipment and supplies have to be unloaded on a taxiway. Lieutenant-Colonel Dick Rayburn, 49, a Vietnam veteran, has been in Kuwait two weeks and has already been over Iraq five times in his F-16, enforcing the southern "no-fly" zone. "I don't know how long we'll be doing this, but I expect it'll be a while," he said.

Much the same comment comes at a more senior level when it is asked how long the augmented American and British forces will remain in the Gulf. "The importance of the military build-up doesn't stop because of a news report," said a US military spokesman. Off the record, however, it is intimated that the commitment could remain close to its present level for several months. Although Kuwait is paying the running expenses of the forces on its soil, the extra cost to the US taxpayer

is estimated at around \$200m a month, and it will be important to maintain public support at home as the immediate crisis fades.

"The best way to use force is to show it without having to use it," Kofi Annan said on his return to the UN yesterday, and Colonel Robert Awtrey, the most senior USAF officer in Kuwait, was keen to do just that. "I want to show you the combat capability we have here," he said. "While we are happy a diplomatic solution may be in the works, obviously we are all concerned to make sure it's a long-term solution."

Back at the apron, Major Reid Christopherson was showing off the destructive power of the A-10, which can fire 60 foot-long shells a second. "Everyone's very relieved that it's being resolved diplomatically, because we'd rather be deployed as a peaceful deterrent than fight. Certainly, though, this gives the appearance of being a long-term commitment."

## Deal allows weapons inspectors to stay, but only if they brush up their manners

By David Osborne  
in New York

AT THE heart of the agreement negotiated by Kofi Annan, the UN Secretary General, with the leadership in Iraq, is a carefully-weighted and vital equation: Unscorn, the Special Commission established after the Gulf war in 1991 to root out biological, chemical and nuclear weapons of mass destruction in Iraq, will keep its job. But how it goes about its business will change.

As far as Britain and the United States were concerned, the survival of Unscorn was a *sine qua non* of any new arrangement struck with Saddam Hussein. Indeed, Sir John

Weston, the British ambassador to the UN, said after yesterday's consultations with Mr Annan that he would be advising London first and foremost that the work of Unscorn would "remain at the centre of the process" of weapons inspection.

Moreover, it looks as though the man in charge of Unscorn since last summer, the former Australian ambassador to the UN, Richard Butler, will retain his post, at least for the time being.

Iraq has made no secret of its disdain for Mr Butler, and there had been doubts even in the Security Council about the wisdom of allowing him to continue his work.

No one, however, expects

Unscorn to continue exactly as before.

Most obviously, Mr Annan has agreed with Saddam that when it comes to inspecting the eight presidential sites that were at the root of the latest crisis, the Unscorn inspectors will no longer be allowed to do the sniffing alone. Instead, they will have to be accompanied by diplomats from member countries of the Security Council.

Members of this new subgroup of Unscorn will be chosen by Mr Annan and will be headed by a new commissioner, who will also be appointed by the Secretary General.

More subtle, however, is the message contained within paragraph two of the agreement:

that the UN — and by extension Unscorn — will try harder to "respect the sovereignty and territorial integrity of Iraq".

This is one part of the agreement that was giving the United States administration pause for thought yesterday. Washington is fearful that it will provide Saddam with a loophole to impede the actual implementation of the pact.

But Mr Annan was clear in his press briefing yesterday about what he thinks the provision means: Unscorn must brush up its manners. "We on the UN side have to handle Iraq and the Iraqis with a certain amount of respect and dignity and not push their weight around."

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# Exit stage left: the big cheese of people's theatre

Thanks to one man's vision, theatre has thrived in the Potteries and a community has found its voice. **Jeffrey Wainwright** bids farewell to a well-rounded talent

The evanescence of theatre means that memories can rarely be held up to scrutiny. They are often sketchy, and hindsight might not grant them any great significance in theatrical history or even within their immediate context. Many of my first, and so most important, recollections date back to the early 1960s and to a temporary theatre-in-the-round in the Town Hall, Newcastle-under-Lyme. It was there that I saw the petrifyingly sexy Dona Martyn as Strindberg's *Miss Julie*, and some hilarious new comedies by "Roland Allen", who doubled as the company's leading actor, one Alan Ayckbourn.

In 1962 this magical little arena re-established itself in a converted cinema, the Victoria, across the border in Stoke-on-Trent – a space that soared into immensity one night as Ron Daniels and Fiona Walker "let time try" their love as Orlando and Rosalind. That, Peter Cheeseman recalls, was when actors could rarely sing

No one in regional theatre comes close to Cheeseman in terms of long-term devotion to a single theatre and to its place in its own community. Having found his patch in the Potteries, he has stuck to three commitments: performances in the round; a strong repertoire of classics and new work; and close identification with the history and present problems of North Staffordshire.

The first of these meant that in 1986 the district gained Europe's first purpose-built theatre-in-the-round, 605 seats within a handsome octagonal building. There were some, Cheeseman recalls, who had said, "You'll want a proper theatre now, Peter," but he had the authority and experience to insist on what turned out to be as fine a space as any in the country.

Along with the standard of actors – they can all sing now – Cheeseman thinks that repertoire has been the area of greatest improvement in regional theatre in his time. He is unsentimental about the "drive" of

old-style weekly rep – "all thrillers and West End comedies". His first season, 1962-63, featured five new plays, including work by Ayckbourn and Alan Plater, along with Beckett, Pinter, Anouilh and Bolt. Twenty years later the mix was much the same: new work from Peter Terson and Ken Campbell alongside *Mother Courage*, *The Merchant of Venice* and *Pygmalion*. Astoundingly, up to 1986 over 40 per cent of the "old" Vic's shows were new work.

But Cheeseman and his theatre are best known for the 11 documentaries on local history and local issues. Besides *Rebels*, the historical ones have dealt with the pottery and mining industries in the area, Methodism, the Second World War, and the federation of the Six (not five) Towns. Most celebrated of all was *The Knot*, with its famous surveyors' pole-dance illustrating the branching of the railway across North Staffs.

In 1974, *Fight for Shelton Bar*, a contribution to the struggle to keep a local steel-works open, was the first on topical issues. The opening nights of *The Dirty Hill* (1990) – arguing both sides of a proposal for an open-cast site – and *Nice Girls* (1993) – on the efforts of women to save Hem Heath colliery – cracked with the special electricity of the real antagonists watching themselves portrayed on stage – and watching one another across the auditorium.

Cheeseman has always seen these shows as "the most useful political job the theatre can do – to reflect the life of the district in such a way that we, its voters in a democracy, really believe that we are important and that important things happen here". In subject-matter the documentaries

never much bothered to interest anyone beyond Uttoxeter (though several were in fact invited abroad) but formally they advanced enormously one of the major styles of post-war theatre. Cheeseman himself makes no great claim for this and honours a variety of inspirations, especially the American "living newspaper" theatre, Joan Littlewood's *Oh, What a Lovely War*, Charles Parker's magnificent radio ballads, the episodic and mixed-media style of Brecht, and, above all, the cinema. But this mix of narration, mime, song and improvised illusion, along with dramatic scenes, has now entered the bloodstream of contemporary theatre.

One aspect Cheeseman does claim as the Vic's own is the "purity" with which he rejected textual invention in favour of the "authenticity" of primary sources, especially recorded speech. "Listen, listen," Charles Chilton told him, "to the richness of people's speech". Many of the Vic's most moving effects have relied on the interpolation of the recorded voice of the real person we are watching portrayed on stage, so providing arresting evidence of the strange doubleness of theatrical illusion: its existence in its own right and its respect for the outside world.

Sadly, though, Cheeseman is leaving his post more troubled than fulfilled. The chronic underfunding of the arts may, he believes, mean the irrecoverable loss of as many as 10 regional theatres this year, "the most important cultural institutions in the country". Unable to compete on price, hopelessly outgunned in marketing, the theatre is losing the battle for young audiences to the monoculture of the multiplexes. Having seen at the beginning of his career the development of a student audience eager for the kind of repertoire he describes, fostered by teachers with the requisite resources and motivation, he now sees that same audience dwindling to the point where it is virtually impossible to risk new work. The understanding that theatre is part of "education, education, education", as well as the base of a whole industry whose continuity runs unbroken from Saturday-morning children's workshops to Oscar nominations, is being lost.

But Cheeseman continues to fight for the theatre at every level. The day I met him, in his role as chair of the National Council for Drama Training, he had just entertained officials from Baroness Blackstone's department in an effort to convince the Government of the need for statutory grant support to ensure that talent, not ability to pay, decides who goes to drama school. Asked what it takes to do his job, he first cites a nearby address – his is "230 paces away" and you can imagine him slipping across at midnight to check the bar's stock of lemon slices; more seriously, he says it takes "love and thoroughness" – qualities for which I, like countless other regular and occasional theatregoers from the Potteries, have had reason to be grateful over the past 36 years.

*'The Tempest' opens at the New Vic, North Staffs, 4 March: 01782 717962*

## Opening nights crackled with the electricity of real antagonists watching themselves portrayed on stage – and watching one another across the auditorium

properly, and so a young Ben Kingsley as Amiens was a prodigy.

I remember too the anxiety on the face of Christopher Martin as a young pikeman awaiting the Royalist cavalry charge at Naseby in *Staffordshire Rebels*, the second of the "musical documentaries" that were to make the Vic's reputation. Daniels, Kingsley, Robert Powell and Anton Vogel were also in the cast, but somehow I best remember Martin, whose connection with the Vic still continues today, singing out "The gentry are all round, stand up now, stand up now."

The vision of that first theatre-in-the-round belonged to the late Stephen Joseph (after whom Ayckbourn was to name his Scarborough base), but when all immediate hope of a purpose-built theatre disappeared, it was Peter Cheeseman who, in 1962, founded the Vic. He has been director there ever since and will have over 140 productions to his name when his valedictory production of *The Tempest* opens next month.

torical ones have dealt with the pottery and mining industries in the area, Methodism, the Second World War, and the federation of the Six (not five) Towns. Most celebrated of all was *The Knot*, with its famous surveyors' pole-dance illustrating the branching of the railway across North Staffs.

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# Time, gentlemen, please...

Paul Taylor raises a glass to the rare humanity of Conor McPherson's bar-room vision, 'The Weir'

Arriving home from the Royal Court's main-stage transfer of Conor McPherson's superb *The Weir*, I switched on the television to discover David Mamet laying down the law about drama on *Face to Face*. People only talk, he declared, because they want something from someone. Well, this may be the case with the power battles in his own brilliant, attenuated world. But McPherson's play – mediating, with a generous supple warmth, between humour and tragedy, the comically small-minded and the painfully large-spirited – is a rich demonstration that Mamet's dictum is a partial truth only. There would be a way of summarising *The Weir* that made it sound like the kind of male com-



Ghost yarns and slow jars: home-truths rise to the surface in a Sligo country pub

Photograph: Gerald Lewis

petition Mamet understands so well. The virtually men-only domain of a bleak Sligo pub – where the fact that the ladies' loo is built is of little inconvenience to a clientele of ageing bachelors – is awoken from its sad, amiable torpor one dark windy night by the arrival of an attractive young Dublin woman, Valerie (excellent Julia Ford). She has just bought a house nearby from Finbar (Des McAleer), a middle-aged flash hotelier and son of the

district, who wants to show her the local colour and (though there's no relationship and he's married) to show her off. A bald résumé would indicate that Finbar and the regulars strive to impress Valerie with mountrously disturbing (and self-revealing) ghost yarns and that she, in a sense, turns the tables on them with a story of deeply distressing personal loss, made all the more unbearable by (imagined?) spirit contact.

But what makes *The Weir* a triumph for its 26-year-old author – and for Ian Rickson, who directs with such atmospheric intimacy and humane tact – are the things that stop one from making systematic judgements. It's true that there is a needling tension between McAleer's swanking hotelier (the insecurity of whose ego is hinted at in his ghost story) and Jim Norton's consummately acted Jack, a silver-haired bachelor

garage-owner and drill card who resents being condescended to as a curiosity for tourists. But a generous, disguised-as-an-insult joke on his part is able to defuse the situation so no one loses face. McPherson is not out to score points or to diminish anybody. With their stunted horizons, the men are indeed sad, but when Brendan Coyne's taciturn harman pours unfamiliar white wine for Valerie into a half-pint glass and holds it to the light as if waiting for it to form a bead, it's the courtly consideration of the gesture as well as its naivety that hits you.

And Mamet's limited theory is beautifully belied by the final phrase in which Jack tells Valerie how, as a young man, he threw away his one chance of love. Oh, sure, since he's lonely and now a bit drunk, it does give him the chance to clutch her hand, but it's not just of himself he is thinking when, at some cost, he heaves this story out and Valerie, estranged from her husband in a remote new territory, knows that too.

To 28 March, Royal Court, St Martin's Lane, London WC2 (0171-565 5000)



'Love and thoroughness': that's Peter Cheeseman's recipe for theatrical success. Inset left: Cheeseman with a miner and cast member after recording underground for 'Miner, Dig the Coal'. Above right: Cheeseman directing the 1965 'Staffordshire Rebels' (above left), featuring Ben Kingsley (second from left) Main photograph: Denis Thorpe

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# How do you help girls fed on a diet of this?

For years every other magazine has been portraying "superwulf" models like this as the ideal.

And impressionable young girls often feel pressure to conform. Which frequently leads them to skip important meals like breakfast. And we all know that is hardly the best way to start the day. What you may not know (and most girls certainly don't) is that it has been shown that people who have a good cereal breakfast like Kellogg's tend to maintain a healthier body weight than people who skip breakfast altogether.

This is helped by the body being satisfied early in the day. So there's less likelihood of snacking later on. Also, the body burns off the energy it gets from carbohydrate-rich foods like Kellogg's cereals much more readily than the energy it gets from fatty foods.

Of course, we can't claim to solve complex problems, but we think these arguments could help persuade girls to take better care of themselves. And even if they think they're just doing something to stay nice and slim, you know they're getting a good nutritious foundation for the day ahead. With the additional benefit of at least 1/4 of 6 essential B vitamins and 1/6 of the iron recommended daily.

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Serving The Nation's Health

London  
come  
of age



هكذا من الأصل



# London comes of age

Lund leather, time travel and the trouser boot - it's adult, feisty, and very, very Brit. Tamsin Blanchard calls it Adult Frock

YOU'VE heard of Adult Oriented Rock. Well now, fresh from London Fashion Week comes AOF: Adult Oriented Frock. The British Fashion brat pick are coming of age - and so are their clothes.

London is all about celebrating individuality and difference rather than chasing the same hem length or trouser shape. The designers are doing their own thing; five years after Marks & Spencer sponsored the first New Generation designers in March 93 - including Ane Hamilton, Alexander McQueen, Copperwheat Blundell, Paul Frith and Sonnetag Mulligan - many of those names have now become established in their own rights and have had time to solidify their businesses and feel confident enough to know who they are, what their signatures are, and where they're going.

Alexander McQueen shows his collection tonight. The story of his career so far needs little explanation. But there are many other success stories too. Copperwheat Blundell showed his strongest collection to date this week. It received the finest accolade a collection can have, and was declared "absolutely not on for next season". There was lots of sheepskin - the fabric for winter 98 as seen at Berardi, Gaster and Betty Jackson (below) - and there was a new invention, the trouser boot, a knee length leather boot with its very own trouser leg to cover it. Paul Frith's business has been growing steadily too, with a little help from Bhs which sponsors his shows and has had a hit on its hands with the capsule collection he designs for it. Tracy Mulligan, formerly of Sonnetag Mulligan, presented her first solo collection and it was a winner with both press and buyers, cool elegant and chic, words not often associated with British fashion.

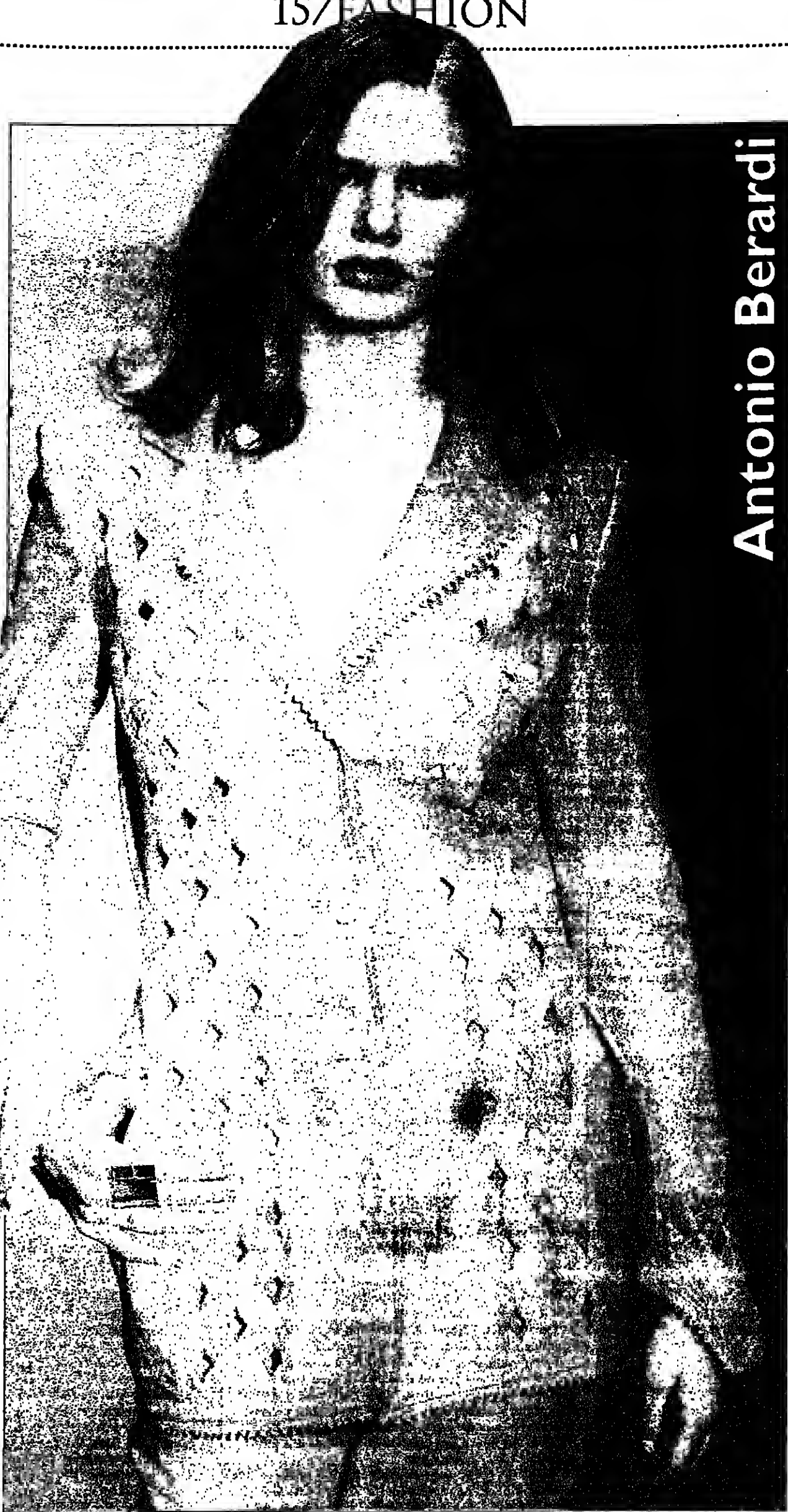
Antonio Berardi, Clements Ribeiro, Pearce Flonda, Sonja Nuttall and Julien Macdonald have all also graduated from the M&S sponsorship scheme. And they all came into their own this week, focusing on what they do best. From Antonio Berardi we had killer leather. From the New York *West Side Story*-style set with pedestrian crossing lights flashing "Walk. Don't Walk". And walk they did, from Michelle Hicks' first march into the audience wearing a leather biker outfit in orange, bubble gum pink and white leather, ingeniously interspersed as only Berardi knows how. The collection for winter was a new step forward for the 28-year-old. It is feisty, sexy and high-voltage as always. But it is also resolutely modern. Best of all was a pair of stonewashed denim jeans inset down the side seams with a strip of pink Swarovski crystals. Casual, sexy, effortless - and all a

girl needs to make her mark. Likewise, Suzanne Clements and Inacio Ribeiro built on their signature: an eccentric mix of sophisticated design and naive surface detail. The theme of the collection is Orlando - a hit of time-travelling took us back to the 16th century: Elizabethan jackets with sleeve seams slit to reveal puff of white cotton shirt underneath. There was severe tailoring, and opulent one-shouldered drapes of tartan, embroidered and appliqued coats, and the cashmere knitwear without which it simply would not be Clements Ribeiro. This time, they came in sumptuous solid colour blocks of orange, scarlet and pink. Muscling in for space amid the cashmere, tartan, tailored sheepskin (again) and lace was a good smattering of folk embroidery and gypsy trim. It is just this style of eclectic design and bravura that overseas buyers have come to expect from London.

Clements Ribeiro's freedom to be creative has been assured by its deal with Dorothy Perkins for whom it designs a high street capsule each season. So too, Pearce Flonda has found a more mainstream market with help from Debenhams, leaving it free to do what it wants to with its own collection. It focused on byzantine eveningwear with exotic mixes of fabrics and textures - rich brocade, shiny satin, silk jacquards - adult and exotic.

Sonja Nuttall has also come of age. She has just signed a backing deal with a British manufacturing company, allowing her to concentrate on design. Her signatures shouting loud and clear are her masculine tailoring, and her luxurious understatement. She also threw in a few lines of crystal sequins, some sparkly knitwear and glittery bobble hats, and some tropical hibiscus prints to lighten up the mix.

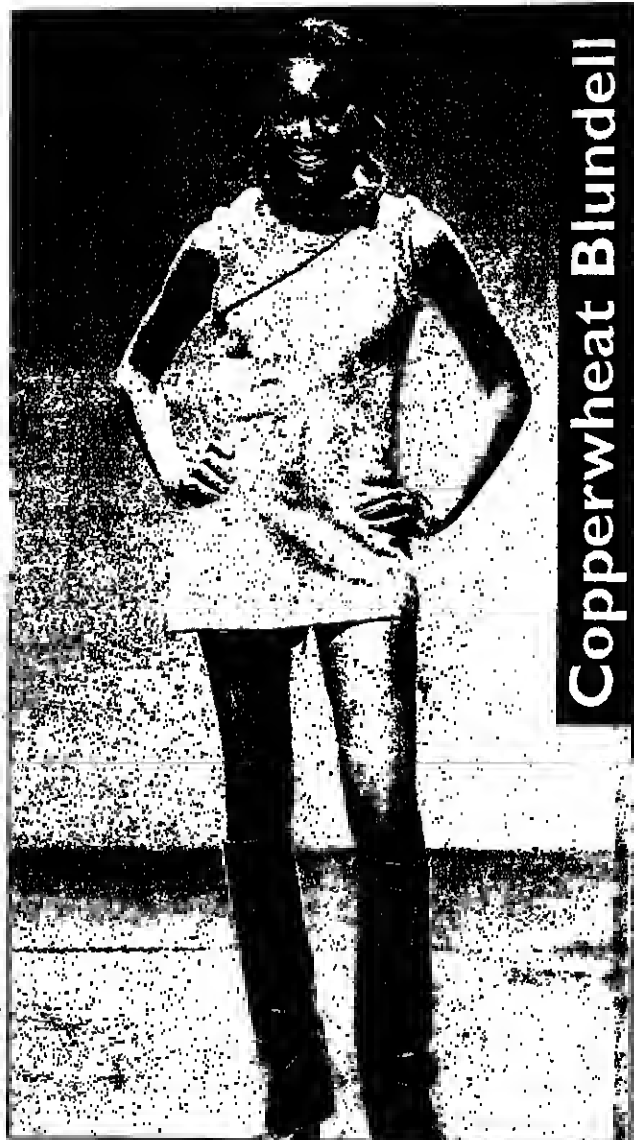
British fashion is a case of quality, not quantity. You do not have to present a 60-piece collection to get noticed. Last season, it took Matthew Williamson just 11 outfits and this time there weren't many more. A firework beaded cocktail dress, a snowflake embroidered coat, and a baby blue cashmere jumper worn with a fuchsia pink beaded skirt is all you need to get the world's most influential stores interested. Williamson's philosophy has been to keep it small and select, the antithesis of the big corporate designers who are interested in quantity first and foremost - just like the rest of the British fashion industry, really: small but perfectly formed.



Antonio Berardi



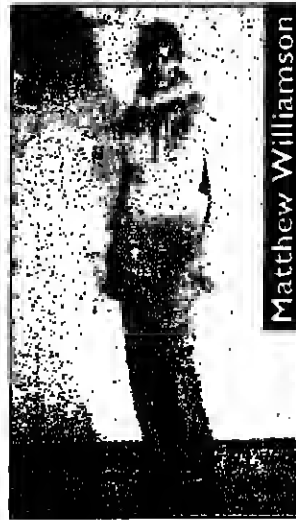
Clements Ribeiro



Copperwheat Blundell



Owen Gaster



Matthew Williamson



Bella Freud



John Rocha



Pearce Flonda



Sonja Nuttall

## OUT OF THE CLOSET Bella Freud

This week Holly Davies delves into Bella Freud's cupboard to divulge the fashion designer's dressing secret

"IT WOULD have to be shoes - I couldn't live without any of them. My favourite pair at the moment are my Stephan Kellan wooden platform clogs which I bought about three years ago. I love them because they're really comfortable

and make me look much taller. They seem to give everything I wear with them a certain kick. They are a sort of mousey brown and can change the mood of any outfit. You can wear casual baggy checked trousers with them and they somehow

manage to chic it up and make the most masculine of outfits look feminine. This winter I could hardly bear to take them off, but because it was so cold I had to wear socks. I had to walk everywhere really slowly because my feet kept slipping."



## The Independent fashion Spring 98 special

Art and fashion are having a fling. Our 48-page fashion special gets you up to date with the latest from both worlds. Sarah Moon photographs this spring's newest looks in the spirit of the season's muse, Frida Kahlo. Go behind the scenes with Vivienne Westwood as she explains the inspiration behind her new advertising campaign. And see exclusive pictures by Richard Bingham, star of the Royal Academy's Sensation show.

fashion fashion

Free with The Independent Saturday 28 February



# Where's the good life?

1,500 people a week flee cities for the country, and the Government is worried by the exodus. But as 'Independent' writers explain, home is a state of mind – not just a place



Fast lanes: Church St, Stoke Newington



Slow lane: Church St, Hadlow

## The city: 'It wasn't love at first sight, but now I couldn't leave'

NO ONE pointed out the bus stop when I rented my flat. I first noticed it as I emerged naked from the bathroom and spotted passengers on the top deck peering in. A shock for all concerned, but I soon felt more sorry for weary commuters, passing me as I enjoyed my first drink of the evening. I was more worried about the consequences of living next door to an Indian restaurant. I couldn't have predicted that the most soothing and soporific sound last thing at night is of other people washing up dishes.

It took me a while to appreciate living in the heart of London. It was hardly love at first sight. At first, I ached to see greenery breaking through the overwhelming greyness. After a childhood filled with summers beside the sea, I almost didn't dare imagine going mooths without seeing the shoreline – when I first arrived aged 22, I actually walked to The Strand, one of London's busiest streets, in the hope of finding some vestige of ocean. I was demoralised to spot not even a seagull.

London seemed a vast, alienating place in which I had lost my bearings. A place of work, not of leisure or pleasure.

Yet, today, I love it. I'm at home and wonder how I could ever leave. What changed about London for me was the discovery that I really live in a village. Except my village isn't struggling to keep its post office, having long ago lost its butcher and baker. I could walk no more than 10 minutes from my front door in Stoke Newington to find almost everything necessary for life. You can fall out of bed and into any number of cafés for



JACK O'SULLIVAN

breakfasts that go on all day. There's a deli for lunch, more than a dozen restaurants in one street for dinner.

Those with time on their hands can find endless second-hand book shops for browsing, a jazz club for carousing, a flamenco club for dancing. There are shops that will fix your television, cut your hair, mend your clothes, repair your washing machine, massage your body. There is a video store for the mainstream, another for the esoteric. A boutique for thin sophisticates, a singing pub for boozers, smooth bars for trendies.

There is the best of community – you never walk down Stoke Newington Church

BOROUGH OF HACKNEY  
STOKE NEWINGTON  
HIGH STREET.  
N16.

Street without bumping into friends. But windows don't squint at every coming and going like they do in the country. You can wallow in the anonymity and liberalism of the city. Lesbians raise their children here, living out the legacy of great non-conformists, such as Daniel Defoe, who lived here and are buried in the huge, spooky graveyard full of mausoleums and gay men picking each other up.

There is a sense of history about city life, its ancient buildings and roads, without the preciousness of thatched Tudor cottages. Daniel Defoe's only memorial is the slightly dilapidated Defoe Cabs, whose Ethiopian drivers probably miss the significance of the name. The constant influx of such newcomers provides a diversity and vibrancy which makes the all-white villages of Britain dreary in their monotony, almost scary in their uniformity.

You probably think it's a terrible place to raise children – imagine the drug problems, the discarded syringes. Well, yes, they do find a few in the playground in the mornings. And, yes, you do have to avoid dog dirt on the pavement. But this place is overrun with young children, so we have a wonderful state-of-the-art playground, with lots of swings, roundabouts and climbing frames, built over an all-weather, safe surface. Ask children whether they would prefer to play in a muddy field: you will find a city lover.

Of course, I still miss the sea. There's not much I can do about that. We've covered the garden with pebbles. But there are still no seagulls.



MEANWHILE, IN CARDBOARD CITY ...

DOWN in Cardboard City the last defiant few remain. There are none of the elaborate temporary structures that once defined the Bullring near Waterloo, only a handful of people huddled round a fire. More than 200 people once made the concrete underpass their home; now it is down to less than 30.

On Monday, Lambeth Council won an eviction order, enabling it to clear the remaining people living in the Bullring roundabout, to make way for a cinema.

Yesterday those left were defending their home amongst the concrete pillars in the dark underpass. Sitting round a brazier they were suspicious and aggressive seeing intruders as a threat to their way of life. "This is our home. You just want to treat us like animals in a zoo," shouted one.

While the life of those sleeping rough is unacceptable to most of us, those who live in Cardboard City feel there is a real sense of community. "People know each other, they have been living together for a long time and it's probably the first time that many of them have had what they feel is a family," says Raksha Prasad of the Big Issue, who befriended some of the residents. "They have named it home."

"People are there from all walks of life, for a whole range of reasons," says Myra Peralta, a photographer who has been documenting street life since the 1970s and has spent four months in the Bullring. She says that Cardboard City is unique to Britain. "The remaining few who are down there are not happy about being rehoused. They are afraid they are going to lose their bond and their networks. They are feeling terribly upset. They think their whole way of life is going."

Those working to rehouse the homeless say they are trying to do so as sensitively as possible. But those about to be removed remain suspicious. Ms Prasad says: "One guy I spoke to had been there for 15 years said to me 'I know it stinks, I know it's shitty, it may seem like hell to you but we've chosen it'."

— Glenda Cooper

## The country: 'It isn't as lovely as you think – that's why I like it'

WHEN I tell people in London that I live in a village in the middle of rolling countryside, they get misty-eyed. "Oh how lovely," they exclaim. At this point, I can feel myself getting tense. I know they are thinking fresh air, long walks, log fires and roses round the door. Perhaps this comes from reading too much Miss Marple or Enid Blyton. Anyway, it bugs me because life in the country isn't like that at all. Usually I can't help but mention this. "Actually it's not all that lovely, and that's why I like it," I say, with my sweetest smile.

This usually stops the conversation dead, which is fine with me. After 12 years in the Kent village of Hadlow, the country isn't so much a destination as a home and that makes it a much more complicated place. Take the old and picturesque farmhouse that we lived in for years. It was surrounded by apple orchards and horse pastures and, I suppose, it could be called lovely. The blossom was gorgeous, certainly, and the pesticides were not too bad either. You don't get one without the other, the farmer said, and really doesn't everyone have to watch the way the wind blows? As for the pasture, the land had once been a dump and there had been a little problem with methane.

None of this seemed to affect the rodents, of which there were many. You get close to nature when you live in a house without a foundation, and I had got used to the odd plant pushing its way up into the house. But weeding your front room is one thing, discovering you are living in a set for *Wind in the Willows*



ANN TRENEMAN

another. One day, as I was tapping away at my computer, I looked down and saw Mole looking up. He was small but terrifying. Ratty was not so scary but only because he was usually dead and deposited by the cat at the back door. The mice were everywhere. One Christmas I sat and watched them race to see which could eat the chocolate tree ornaments first.

Wild animals, dead and alive, are part of life. It's cute having hedgehogs galore, but not so fab when one keels over dead in the garage. In the same way, I loved having a Rayburn, but there is nothing romantic about keeping it stoked up with coal. The view from the kitchen window was stress-free

HADLOW  
Please drive carefully through the village

(pasture, rolling hills etc) but if I'd looked the other way I'd have seen a road filled with articulated lorries.

None of this is meant to be negative. It's just the way it is. The real reason I like living in the country has little to do with such things. I like it because it is absolutely silent at night and you can see the stars (and not the street lamps) when you look up. It feels safer, and the countryside is just a short walk through the council estate.

People are always saying that living in the country is good for children, but what they really mean is that it is good for parents. I may spend lots of time commuting each day but I spend very little worrying about the kids. They walk to school and play round the neighbourhood until nightfall. The village school seems fine (though I'm told by others that the one in the next village is much better).

People live where they feel comfortable with the pace, and real time, for me, is in the country. City-dwellers always seem to be going somewhere as quickly as possible. They are used to shops and cafés and pubs being open all the time. They are used to crowds and queues. Everything is possible, nothing decided. Until, that is, they come and visit me. "I know, let's go have a coffee," they suggest on a Sunday afternoon. I say there is only one decent café within a 10 mile radius and it is shut all day long. "How about a country pub then?" they suggest. I say that the pubs round here open at 7pm on a Sunday. My friends look abashed. Perhaps, they say, it's time they were getting back.

## Your last chance to write the story of the year for six to nine year olds

Win £2,000 and have your story published

CHILDREN of between six and nine are the hardest age group to write for. Many are still struggling with the mechanics of reading. Watch their finger stop halfway across the line. Hear their hesitant "sound-it-outs". So keep it simple. Start at the beginning and move on without any flashbacks or projections. Any subtleties in the time scheme are far more likely to confuse than beguile them.

It's a difficult age to please, too, because of the wide and unpredictable range of knowledge and sophistication. I think it helps to use the journalist's dictum: "Never overestimate the reader's knowledge, and never underestimate his or

her intelligence." You can usually weave the information they need into the story without patronising all those who know it already and think everyone else does.

The business of shifting levels of sophistication is a lot more difficult. There's such a fine line between cashing in on a child's acceptance of the unlikely or the magical, and offering them something they think is "silly". It's hard to get it right. But whereas you might get away with a horse in the garage, for example, you're likely to stretch credibility too far if you try to suggest that Mum filled up the drier without even noticing it.

If it's real, keep it real.

Granny is more likely to be found queuing for her turn on the flames than in her armchair knitting. These days, huge numbers of grannies still work, and the rest have busy lives. So don't send this fictional child of yours off to Gran for the summer, especially not unaccompanied on a train (since she'd end up in care, not at Margate). Cooks wiping their floury hands on aprons, little girls on freshly scrubbed doorsteps blowing bubbles through clay pipes – all this stuff is back from when television sets still had to warm up, and means nothing to today's child. Remember that attitudes have changed as well. Someone sent me a book that began, "A

mouse ran across the school-room floor. All the little girls screamed and jumped on their chairs, and all the boys roared and chased it." She couldn't think why the children's publishers (98 per cent women) weren't keen, and she probably didn't realise our readers take against this sort of thing even more quickly than we do. So what do children like? Well, they love to identify with someone or something in the story. It doesn't matter what. It could be another child, or a puppy, or even a lost umbrella. But they do have to care. So tell us, all the way through just what your character is thinking or feeling.

Above all, remember that

children's books really matter. It's William and Jennings and the Famous Five who make us readers for ever. And I still miss those glorious miserable wet days my daughters and I spent in the double bed, spreading crumbs and reading, reading, reading. First, me to them. Then, them to me. And when the youngest was skilled enough, quietly in a row, with the occasional, "Mum, what's this word?" Next time the urge to shop strikes, go to the library instead. Then back to bed. You'll end up better off, and happier. Believe me, so will they.

Anne Fine's latest adult novel, *Telling Liddy*, is published by Bantam, £15.99.



Anne Fine: 'Keep it real'

The Independent/Scholastic Story of the Year Competition, now in its sixth successful year, aims to encourage top writing for the very difficult to please six to nine year old age group. To help you meet the challenge, some of our most successful novelists and scriptwriters have explained how they set about writing compelling narrative. In this, the final week of the competition, Anne Fine, whose award-winning children's novels include *Modern Doubt* and *Goggle Eyes* talks to Nicole Veash about the pitfalls of writing for young readers.

## COMPETITION RULES

Story of the Year 6 offers a £2,000 prize for the winner, with £500 each for two runners up. The top 10 stories will be published in an anthology by Scholastic Children's Books. You are invited to submit stories of 1,500-2,500 words which must arrive on or before 28 February 1998 at: PO BOX 2030, LONDON - WC1A 1PE. You may enter only once and entries must be made by the writer, not on his/her behalf. Entries must be typewritten, double-spaced and on one side of the paper only. We will not accept stories with illustrations. Manuscripts will not be returned, so please keep a copy. All entries must be unpublished, but published writers may enter with new material. Each entry must be submitted with both a cover page and title page. The cover page must feature the story title, the entrant's name, address and telephone number. The title page must feature the story title, the date of the story. The story should start on a new page, and the author's name must not feature on any of these pages, so that all entries can be judged anonymously. The winning story will be published in *The Independent* and in the anthology, which concludes on 22 May 1998. The top three stories and

up to 10 others will be published in the autumn, in the anthology *Story of the Year 6* by Scholastic Children's Books. The competition is not open to employees of, or relatives of employees of, Scholastic Ltd or any newspaper publishing company or anyone connected with the competition. Proof of postage cannot be accepted as proof of delivery. No responsibility can be accepted for entries which are delayed, damaged, mislaid or wrongly delivered. The judge's decision is final and no correspondence will be entered into. Entry grants to Scholastic Ltd the exclusive right to publish an entrant's story in all formats throughout the world for the full term of copyright. A copy of the form of the contract may be obtained on application to Scholastic Ltd. By submitting an entry an entrant agrees to be bound by the terms of and to sign the agreement if called upon to do so. Any story chosen for publication in the anthology that does not win one of the top three cash prizes will receive a £100 prize. Any entry not submitted in the form specified will be deemed invalid. If your story is not published in the anthology or in the newspaper by the end of December 1998, these rights revert to you. Entry into this competition implies acceptance of these rules.

هذا من الادب







# THE INDEPENDENT

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## Political follies under the Dome

IT'S ONLY a dome. Prime Minister, only a shell of a building. At best it's only going to accommodate a leisure event. Does that really justify the preaching and the chiding and the hyperbole Mr Blair served up yesterday? He compared the Dome to St Paul's, and that is fatuous – not because Richard Rogers is not a fine architect who might conceivably deserve comparison with Christopher Wren – but because the cathedral was built in a Christian age to glorify God, and the transcendental purpose of the Dome is... what? New Labour offers no secular religion. We are – to our credit – these days an incredulous people. Does the Prime Minister intend us to worship at the shrine of technology or try to recover a modernist sensibility in a post-modern age? Politicians tend to make very poor midwives to new world-views. It just won't do for the Prime Minister and his acolytes to talk in these quasi-fundamentalist terms; this was conceived as a temporary structure to house a one-off exhibition. He will be lucky if it works out as well as the Festival of Britain in 1951. The Greenwich Dome will succeed if it provides a good, Disneyesque day out. To put the authority of the British state in play for things as evanescent as those is sheer folly.

The Dome's fate rests on the myriad details of leisure business planning. This is for professionals. Yet what we had yesterday was a Cabinet minister – Mr Mandelson – behaving as if he were the project's chief executive. The problem is not just that he is his own worst spokesperson. His serpentine answers, his belligerence, his brittle *amour propre*: as a political performer he is a liability. But why is he out there on the high wire at all? A legacy from the Tories was the notion of arm's length government. You set up an "agency", give its chief executive full powers and as a politician you (in theory) wind it up and walk away. Politicians are notoriously bad at managers; it is in their own best interests to stand well back. Instead, the Dome project has sucked them in. Its management structure is a mish-mash of political and executive responsibilities. Jenni Page, the chief executive of the company, passes the buck. Lord Rogers (one of the "titmus" testers) says a single creative director is desperately needed. Mr Mandelson (sole shareholder) disagrees. And confusion reigns.

Messrs Blair and Mandelson, admittedly having inherited an administrative mess from the Tories, have compounded the problem by appearing to take personal responsibility. They are too intimate with those private-sector sponsors who have been persuaded to cough up (including, ominously, Rupert Murdoch's Sky – we already know the *quid pro quo*). As a result the necessarily limited political capital of this government has been strewn profusely over the muddy site at Greenwich. Instead of keeping its powder dry for the important things, New Labour's political fate is being inextricably bound up with events over which mere politicians can have no control – matters of imagination, taste, Jubilee Line signalling.

Yet it is us that Mr Blair reproves. Sounding like a cross between a Baptist minister high in his pulpit and Lady Thatcher in her most grating "Rejoice!" mode, he commands us to respect daring and excellence. It is difficult not to react defensively to his stern criticism of carpers and nay-sayers. There is a national trait which the media carries to extremes, snuffing at greatness. And the Dome is a fantastic construction. *The Independent* sits, literally, on top of the site and daily we see the spider's web of cables being spun between the rocket-like girders. When the skin is added next month it will become a circus tent of giant proportions. Yesterday's package of contents was alternately bizarre, mind-expanding and banal. So much will depend on the finish, the quality of materials but also the training provided to staff – whose recruitment is being left desperately late.

Of course we have to wish the whole thing well. But we wish this government well too in its central purposes. We therefore also wish that Tony Blair had not yesterday identified himself and New Labour quite as intimately, quite as passionately with a project which so easily could fall into the pits of mediocrity and mismanagement and consequently provoke deep public revulsion.

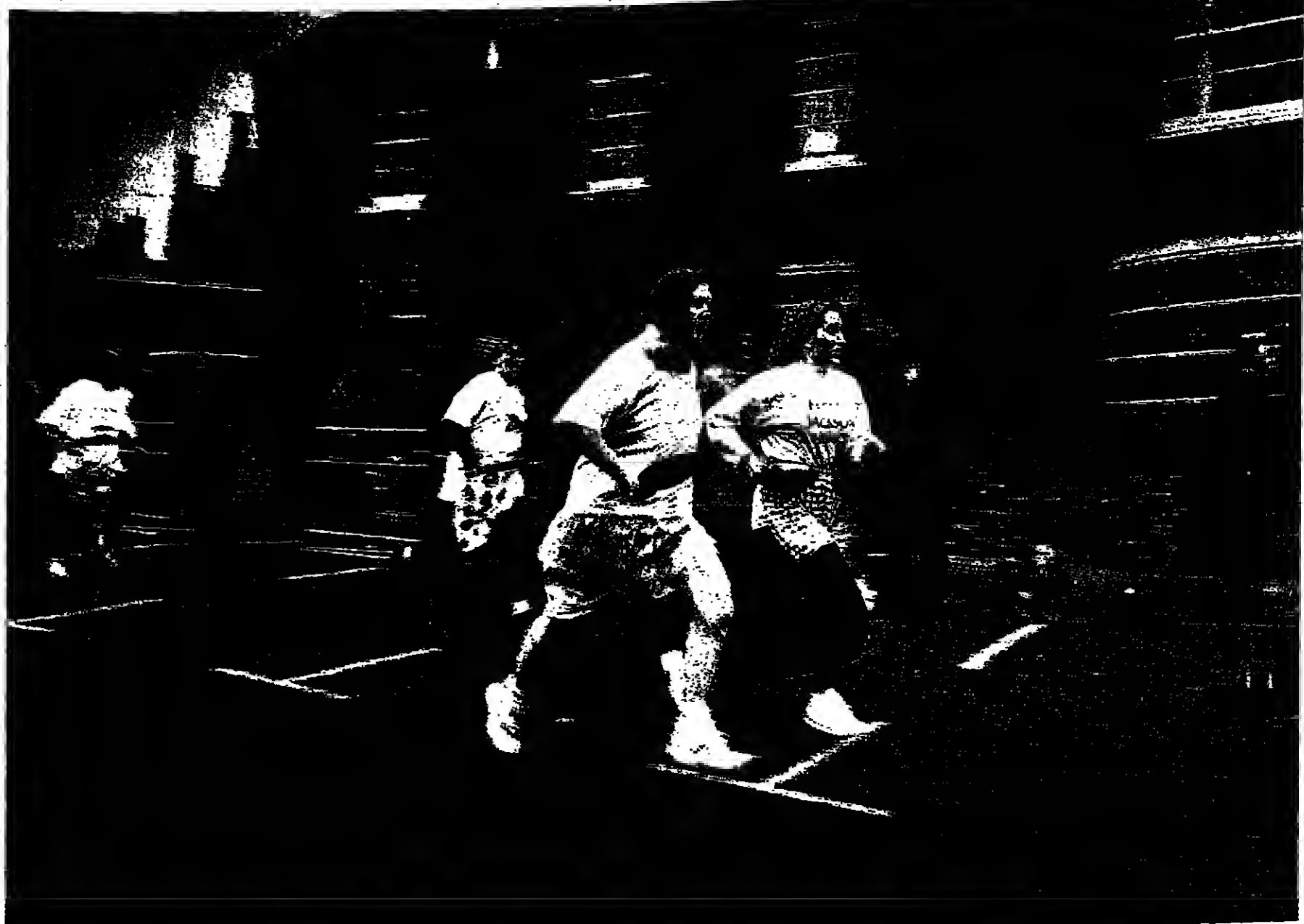
## Unfair veto on Sir Sean



FROM HIS unbreakable Scottish soldier in *The Hill* to his definitive James Bond, Sean Connery is a great British film star. He is also a tax exile. Content to leave the green hills of Scotland far behind him for most of the year he has none the less been lending his sex appeal to romantic Scottish Nationalism – the misty-glens-and-hraes variety rather than a form of politics meaningful in the lives of the people of Edinburgh to whom he once delivered milk. Connery is also credited with approving the use by men of physical force in controlling their womenfolk. Sometimes she needs a good slap, is how he is supposed to have put it.

Where in all that is Connery's claim on a knighthood and where the veto? If Donald Dewar gave him the black spot because he is a Nat, that shows the Scottish Secretary lacks political imagination. To have a member of a republican party on his knees accepting a knighthood from Elizabeth II (when all good Scots know she is only Elizabeth I) would have been a Unionist propaganda coup.

But if Connery's reported views about hitting women were the sticking point, this is hard. The star is already a freeman of the City of Edinburgh, which city has run several campaigns against domestic violence, and no one has yet suggested he be stripped of that honour. Besides, how many existing knights (or ladies) would pass parallel tests of political correctness? Knighthoods are a haulie which at best mark out people of real distinction. Sean Connery is one and has been unfairly treated.



Flat out: The annual Shrove Tuesday pancake race in Olney, Buckinghamshire, yesterday. It is said to be the oldest pancake race in the country, dating back 500 years. Photograph: Tom Piltz

### Working mothers

THE Equal Opportunities Commission is delighted that *The Independent* has chosen to draw attention to the difficulties many parents have in trying to combine work with bringing up a family.

As *The Independent* so rightly points out, paying for childcare is a major item in the household budgets of all working parents and cost of childcare can act as a barrier to women returning to work. We are also delighted that *The Independent* is giving recognition to the contribution that women make to the economy.

The EOC believes that expenditure on childcare is an investment in Britain's future. The value of caring must be acknowledged if parents in general and women in particular are not to sacrifice their current and future incomes as the price of taking responsibility for their families.

Tax subsidies are one way of providing help and we shall be following *The Independent's* campaign with interest.

KAMLESH BAHL  
Chairwoman  
Equal Opportunities Commission  
Manchester

MANY middle-class women go out to work so that they can help to pay for their children's private education – why should the taxpayer subsidise the cost of the child-minders that they need as a result?

TOM HUDSON  
Buckingham

THROUGH the generous tax relief the system allows married couples, particularly where one of them does not work, the state is already subsidising Sally Dealer's childcare arrangements (Letters, 24 February). My salary supports myself and my two young children, and I don't see why, through the tax breaks already in place, it should also be helping to support other people's non-working wives.

Mrs M A MASKELL  
Maidenhead,  
Berkshire

### Brownfield building

JOHN PRESCOTT'S call for an urban renaissance and greater use of brownfield sites is very encouraging ("Prescott says recycle", 24 February). But your suggestion that the Chancellor will veto a package of incentives that Mr Prescott wants to put forward is alarming.

The new policy will bite only if it is backed by better incentives and grants to build well and offset the extra costs of brownfield sites. The funding could come from measures such as Civic Trust's proposals for a greenfield levy, which Mr Prescott is apparently considering.

Yet under present plans that Mr Prescott inherited from the Conservatives, his department's core spending programme for regeneration is actually planned to fall. This is now a nonsense. The Chancellor needs to show in the Budget that the whole Government is backing Mr Prescott's vision with a package of green taxes and other measures. Mr Prescott has responded to the national call for an urban focus; we must now also will the means to deliver to a high standard.

MICHAEL GWILLIAM  
Director  
Civic Trust  
Liverpool

THE ARGUMENT about development land is not about "affordable new homes" (leader, 20 February). The last government instructed our county council (Devon) to plan for 99,000 new dwellings; 70 per cent of these are required to satisfy inward migration; two new settlements will be needed to achieve this target. An inspector recently supported this stance and at the same time rejected any target for affordable social housing for local people.

To see what happens when developers are let loose on green field

sites, I visited one of the new generation of "self-contained new settlements" – Great Nodley in Essex. The result was predictable: row upon row of detached "executive homes".

Oh, and by the way, my politics do not "tilt to the right".  
STEVE MELLA  
South Brent,  
Devon

### Brave whistleblowers

IT IS encouraging that through the Public Interest Disclosure Bill employees who alert the authorities to dangerous or criminal practice at their work will be afforded some protection ("Thinking of shopping the boss but don't want to lose your job?", 23 February).

However, it is not clear that those dismissed could be reinstated under the legislation. The law would be unlikely to enforce what would be a very strained employer-employee relationship, especially in small or medium-sized companies.

The scale of the problem is considerable. Each year about 300 people are killed at work, and over 25,000 suffer serious injury, and Health and Safety Executive reports have suggested that management failures are responsible for about 70 per cent of workplace fatalities are, *prima facie*, causes of corporate manslaughter.

Nevertheless, even under the new progressive law, an employee would have to be particularly courageous and self-sacrificing to report dangerous practices and risk exchanging employment for a compensation cheque.

Dr GARY SLAPPER  
Law programme  
The Open University  
Walton Hall  
Milton Keynes  
Buckinghamshire

### Robbed in Kenya

I WAS horrified to read of the killing of Roy Chivers whilst he was on holiday in Kenya (report, 17 February). My partner and myself have just returned from a holiday in Kenya where we, too, were victims of a very frightening robbery. Three men wielding machetes robbed us of money and valuables. Our tour operator's representative did not give a warning to the other tourists. Are the tour operators frightened to cause unnecessary concern over another "isolated incident"?

Having spent some time in Kenya in 1995, I was shocked at the severe decline that the country has taken in two years. Local people I spoke to gave graphic accounts of the crime epidemic that is slowly eroding their tourist industry. How long will it be before Kenya, like Egypt, is understood to be an unsafe and chancy holiday destination?

M CHANDLER  
Port Talbot, West Glamorgan

### Irvine's wallpaper

JOHN MITCHELL (letter, 24 February) asks that we stop carping about the money spent refurbishing the Lord Chancellor's apartment.

If the architecture is distinguished and the expenditure is necessary to preserve it then Lord Irvine can do as the rest of us do – live in his own home and commute to work. The official residence might then be open to the public at all times and we could all enjoy the decorations we have paid for.

Many of us doubt that the expenditure is necessary or that, as Lord Irvine claims, he was distanced from the decision to go ahead. He could have said "No" and suggested that the money be used to fund the odd hospital bed rather than paper the parlour.

NORMAN MITCHELL  
London SW6

### Cannabis as medicine

AS A cancer sufferer who is undergoing chemotherapy, I should like someone to explain to me the logic of the fact that although it is illegal for doctors to prescribe cannabis to relieve my symptoms it is legal to use heroin as a medical drug.

The evidence that cannabis is non-habit-forming and less damaging than heroin, tobacco or alcohol is now overwhelming. Many people suffer pain that only cannabis can relieve, and sufferers from ME can get relief by its use. What is the justification for forcing sick people either to suffer unnecessarily or to become criminals?

I have never used any recreational drug but alcohol.  
RE STEBBING  
London E12

### Housing for volcano isle

THE LAST thing Montserratians need is the nannysm of a UK prefabricated housing estate despoiling their beautiful island, which, despite the present setback, yet has a special future in the regional tourist economy ("Extra aid for Montserrat", 19 February).

Given the tools, a traditional blockwork house can be completed in three weeks at a fraction of the cost, providing essential local employment. If nannysm destroys the skill of West Indian domestic woodcraft, the indigenous character that visitors come to see may be lost. Good urban management, a new blockmaking machine and adequate cement would be more to the point and could have been supplied this time last year.

STEVE OSGOOD  
Teddington, Middlesex

### Time to celebrate

A MAJOR problem facing the organisers of various "Millennium Experiences" seems to be time – being ready on time, that is.

There is a solution – recognise that the next millennium really starts on 1 January 2001. There now – you have a whole year more than you thought.

MICHAEL TAYLOR  
Stanton, Lodian



## MILES KINGTON

I think, monsieur, the shy, reserved Englishman is trying to tell you something

FROM TIME to time this column likes to cater for those of its readers for whom English is a second language, and do something to make them aware of the great richness of our native tongue.

The British are internationally renowned for their shyness and reserve, and today I am bringing you fourscore different ways in which the English language can be used to tell someone to go away, ranging from the silky polite to the blunt. Next time you want to get rid of some importunate Briton, monsieur, one of the following eighty-odd phrases is bound to do the trick!

It's getting late...  
Sorry to break up the party...  
Busy day tomorrow...  
Time to wind your way, I think.

Good heavens, is that the time?  
Doesn't time fly when you're having fun?  
My wife and I are going to bed now.  
All good things come to an end.  
Time, gentle, please.  
Let's be having you!  
Have you no homes to go to?  
Do us a favour!  
Off you go now!  
Be off with you!  
Make yourselves scarce!  
Are you still here?  
Out!  
On your skates!  
Buzz off!  
Scram!  
Beat it!  
Avant my sight!  
Begone!

Stand not upon the order of your going, but go!  
Farewell!  
Awa' wi' ye!  
Get going!  
Go away!  
Just GO!  
Get lost!  
Push off!  
Vamoose!  
Skedaddle!  
Hop it!  
Take a powder!  
Split!  
You're barred!  
Get out of it!  
Go to hell!  
Go to hazes!  
Go and take a running leap in the nearest lake.

Go and eat coke.  
Go and hui your head.  
Vanish!  
Get stuffed!  
Get knotted!  
Piss off!  
Bugger off!  
Clear off!  
Clear the area.  
Fire!  
Bomb!  
Earthquake!  
Police!  
Vacate the premises.  
Do not disturb.  
Trespassers will be Prosecuted.  
Keep Out.  
No Entry.  
Private.  
No admittance (except on business).

Callers by appointment only.  
Closed.  
Sorry, No Callers at House.  
This correspondence is now closed.  
Keep moving.  
Mind the gap.  
Move along there, please, sir.  
Keep clear.  
Keep off the grass.  
Staff only.  
Members only.  
Not beyond this point.  
So far and no further.  
Can't you take a hint?  
It's getting late...  
Sorry to break up the party...

If you would like a full list of such phrases, just send for our "Guide to British Hospitality".

هنا من الادل



## Why liberals owe a grudging debt to the threat of force



DONALD  
MACINTYRE

We liberals are never happy. Having fretted about war we are now uneasy about the peace. Having worried about the allies demonising Saddam, we now worry that he is stronger than ever. Having preferred a diplomatic solution all along, we now worry about whether diplomacy has been successful enough. There is a solution to the liberals' dilemma - to be a bit less grudging about the fact that force has shifted Saddam without a shot being fired. That said, it has not been liberalism's finest hour. Consider first, now that the immediate crisis is over, three myths that have built up during the Gulf crisis.

The first myth is that Britain was merely the lapdog of the US. Britain was never, once the crisis began, going to withhold its backing from the US. But it's becoming clearer that London played a significant role in persuading Washington that Kofi Annan's mission was worth trying. At a meeting convened in London, on 14 February, of the Middle East Regional Directors of the State Department, Quai D'Orsay, and the Foreign Office, Britain brokered a deal that made possible the Security Council's decision to sanction a heavily mandated mission by Annan.

The second myth is that the British government was somehow forsaking its Europeanism by siding with the Americans in threatening Saddam with force. You don't have to accept every dark ministerial hint that France was motivated in its opposition to force against Saddam only by commercial greed to appreciate that Britain was less isolated in Europe than it sometimes looked. Beside France and perhaps Greece, only Luxembourg has directly opposed British backing for the US stance. Luxembourg's egregious foreign minister, Jacques Poos, having excelled himself at the outset of the Balkan war by claiming that this was "the hour of Europe", went on to declare with equal absurdity of the latest Gulf crisis that while it might be desirable to threaten force on occasions, it would be quite another thing to carry the threat out. Belgium, Denmark, Holland,

Germany, Portugal, Spain, and probably Italy, would have all offered either military or logistical help, while Austria and Finland were showing signs of political support. And this may stem from a larger understanding of the price that has to be paid, on occasions, by the Nato allies for continuing US engagement in Europe.

The third myth is that the US and Britain should never have been prepared to use force against Saddam, and that diplomatic means alone could have achieved this week's solution. That flies directly in the face of experience. Whatever practical deficiencies the Baghdad agreement may turn out to have in its application to Unscam inspections of the all-important presidential sites, it is a huge advance on the position Saddam was taking before the threat of force started to loom and when he was denying any access to the sites at all. Nor, rather importantly, is it the view of the UN Secretary General. Watching Annan's and Tariq Aziz's press conference on CNN in a Brussels office on Monday, the Foreign Secretary and his senior officials displayed palpable tension as Annan went through the elaborate courtesies of thanking the Iraqi regime for its reception of his delegation. It was only when Annan said in answer to a question that diplomacy worked best when it was backed by "firmness and force" that Cook allowed himself the ghost of a smile. When Kofi Annan, the first man to dignify the UN office in recent years, says so, it's worth taking seriously.



This doesn't mean that there are no reasons for apprehension. Britain's representative at the UN was right to press yesterday for a clear explanation of Clause 4b of the agreement which rather opaquely refers to "specified detailed procedures" that will govern the inspection of the Iraqi presidential sites where chemical and biological weapons may be, if not made or stored, at least documented. It will be necessary, but possibly extremely difficult, for Britain and the US to secure in New York a clear mandate for acting against Saddam if he breaks the new agreement he signed this week. Blair was correct yesterday to warn that a "piece of paper signed by the Iraqi regime plainly cannot be enough". Saddam's hyper-spin throughout the Arab world will persuade many that he has tricked the Great Satan yet again. Above all he is still there.

All these are reasons why Blair was right not to be excessively triumphalist in the Commons yesterday. We liberals should be a little less grudging - not least because the UN suddenly matters again. Some of those who oppose the war do their case a disservice when they also denounce the peace. Those who complain that the objectives of bombing weren't clear shouldn't complain too much if achievements made without bombing have some ragged edges, too. It's a matter for quiet rejoicing that force worked, so far, without having to be used. And *pace* Jacques Poos, that only happens when those wielding the force are ready to use it. Blair and Clinton were; the outcome is something to celebrate.

## How to cope with the cheapest energy ever - make it expensive

The price of oil has fallen and is still falling, with fatal consequences for the environment but, says Hamish McRae, there is a way out of the trap

Even silver clouds sometimes have a dark lining. As the markets yesterday signalled, in their own inimitable way, we're in for a period of very low oil prices. They reckon that if the apparent settlement in Iraq leads to the lifting of UN sanctions on that country's exports, even more oil will get pumped on to the already swamped world market - for the oil price is now as low in real terms as it was before it quadrupled in 1973-74. Indeed, it is just about as low in real terms as it has ever been since the world first starting using mineral oil in large quantities more than a century ago.

Expect this situation to continue. The main determinant of energy use in the world is economic growth, and East Asia, which has accounted for two-thirds of all growth since 1990, is currently stalled. Cheap oil means cheap energy. Oil, and gas (which follows the oil price pretty closely) account for roughly two-thirds of the world's energy supplies, and coal makes up most of the rest. Only 10 per cent of the world's energy comes from non-fossil fuels, mostly nuclear and hydro-electric power. In many ways we should welcome a plentiful supply of cheap energy; it is a crucial element in determining living standards everywhere.

But in terms of the effect on the environment, this is very bad news. We cannot rely on the price mechanism to control our energy use. The market, when it is on your side, is a wonderfully powerful ally. Anyone who can remember the two oil shocks will recall how people cut energy use. The immediate effect was for people to drive less and turn down the thermostats, but there was also a longer-term effect, as car manufacturers focused on fuel consumption, and architects on the energy efficiency of buildings. From now on, though, the market will be against savings of this sort.

We can already see how hard it is to fight the market. The well-meaning legislation in the US to increase fuel efficiency has mainly had the effect of producing gutless cars, which in turn has encouraged real Americans to buy light trucks and four-wheel-drive vehicles instead. Of course, these use much more fuel, but fuel is so cheap that no one cares too much.

We should not, however, sneer at US hypocrisy. Our own deputy prime minister has recently publicised the fact that he is exchanging his regular official Jaguar for a new one fuelled by natural gas. But that does not make his Jag significantly kinder to the environment, or any more efficient. Gas is cheaper only because the tax is lower, and the global resources of gas are almost as tight as those for oil: around 52 years' supply



Cheap fuel means more cars ... but friendly taxes can save the day NTI

compared with about 45 years'. (In fact, since up to one-third of the energy a car uses in its lifetime is used to manufacture it, the true environmentalist would try to use an old car, not a new one.)

So what will happen? We have the

The solution comes in two parts. The first is to apply the market mechanism through taxation. Countries need to tax energy a lot more. Governments are already desperate for revenue, for they can see that their traditional sources are

**If environmental taxes were used not to spend more but specifically targeted to reduce taxes elsewhere, they might even become the one form of taxation that was positively popular**

prospect of another generation of cheap energy, with all the inevitable environmental problems that will result. The only things that might change that - such as a real war in the Middle East - are too horrible to contemplate. Is there no way out?

Mercifully, there is a way forward.

going to be relentlessly cut away. Companies are already able to shift their operations around the world to minimise their tax payments and extract the maximum in incentives to invest. Increasingly, rich individuals are doing the same. The more the tax burden is shifted to employers, the more they export the jobs.

The more it is put on consumption taxes such as VAT, the more the black economy grows; in Italy it is now about a quarter of the economy.

Energy taxation, by contrast, is remarkably difficult to evade. Fuel for vehicles is tightly controlled. So, too, is electricity and gas. There may be powerful political reasons for not wanting to increase energy taxation, but attitudes there can be changed - there used, after all, to be a strong political lobby against taxing tobacco more heavily - provided people feel that the extra revenues will not disappear into the usual black hole and be wasted. If environmental taxes were not used to spend more, but specifically targeted to reduce taxation elsewhere, then they might even become the one form of additional taxation that was positively popular.

However, while there are some things that can be done to conserve energy within national boundaries, others - such as taxation of aviation fuel - need international co-operation. That leads to the second part of the solution: we need to create a culture of conservation.

One of the difficulties politicians face is taking into account the interests of future generations, both people too young to vote now and (still more difficult) the unborn. These voices are unheard at election time. Yet individually we do care about posterity. We plant gardens and trees that won't reach full maturity in our lifetimes; we seek to leave something for our children; we support charities that try to protect endangered species.

Somehow politicians need to connect the interests of future generations to those of their present electorates. One way of making this connection real is to focus on the needs of the environment, and in particular the duties of each generation to treat it in a responsible way. We can all envisage a world 25 or 30 years hence when even more acres of beautiful countryside are covered with concrete, when our air is even dirtier than it is now, and when there have been long-term changes to our weather as a result of a build-up of greenhouse gases. Governments can use this aspect of public concern about the future to draw people's attention to something they find much harder to accept: that governments now should be running budget surpluses, paying off debt as fast as they can, and encouraging people to save for their own pensions so that the next generation of people of working age will not have to pay even more to support the growing army of the retired.

So the prospect of a generation of cheap energy is in one sense a threat. Miss the chance to be wise about energy use now, and we end up with a nastier environment a generation hence. But because everyone can see that, it is also an opportunity. It is an opportunity for those with influence - not just politicians but opinion-formers in general - to show that we can connect the interests of one generation with those of the next.

We do that by accepting that the benefit of cheaper oil should be passed to society as a whole, in the form of higher energy taxes.

## Who would study theology? I did, and I'll tell you why ...



CLARE  
GARNER

Theologians want to update their subject, but it already works as a career path

It was always the dinner party question I dreaded, because I knew what was coming next. Whenever I told someone I was reading theology, the predictable reply was: "Ah, so you want to be a priest?"

Being reasonably good-natured, I tried to laugh it off, perhaps adding: "No, actually, a nun." But deep down all the feelings of paranoia about the future, career, and life, broke the surface of student illusion and I would ask myself why on earth I was devoting three years to studying such a dusty, crusty subject, which apparently only qualified me to serve in a ministry which did not at the time accept women. (The unvarnished truth is that it seemed a good way to get an

offer of a place from a good university.)

Thirty-six academics, including the Regius Professor of Divinity at Oxford University, where theology was the first course to be devised - and where I ended up studying it - have signed up to a campaign to make UK theologians more open to contemporary culture, more international in their outlook and more responsive to other religions. As one of them says, "Theology too often seems an academic sideline, outdated and dusty, and of little relevance to modern life." Quite.

But then, all of a sudden, I find myself coming over all nostalgic. I remember, with surprising fondness, my deeply eccentric tutor, a walk-

ing authority on Mesopotamian Creation Myths, who probably dreams in Hebrew. Perhaps all that poring over sacred texts and ancient tomes in the dimming light of the Bodleian was not such a bad idea, after all.

And careerwise, at least, theology stood us in good stead. Not one of my theologian friends had to resort to donning a dog collar in order to earn a living. Between us, there is a television researcher, a theatrical agent, a Walt Disney producer, an artist, a court reporter, a primary school teacher, a financial journalist, a literary agent, a nightclub singer, and a spy. As one contemporary said: "All the people I know who read theology are

either in the film industry or insane."

Susan, now a court reporter, says theology helps with her job. "You know, the Greek and the crummy Old Testament references come up with phrases like: 'Tell it not in Gath, publish it not in the streets of Askelon' and I know what they're on about."

Lucy, now a primary school teacher, says the theologian mantle has its advantages. "People think you're quite scholarly. It's never had to fool people a little bit like that," she says, adding that she enjoyed telling people she wanted to be a nun. But perhaps Katherine gives the most honest answer of all. "What did

I get out of reading theology? A degree from Oxford."

Another consequence of reading theology is that it leaves you with a healthy scepticism towards religion. The majority of us started out as confirmed Christians and ended up with our eyes wide open about the true origins of the Gospels.

"Where does theology get you in the end?" asks the Oxford prospectus. "One hopes that those who read theology will arrive at a better understanding of Christianity, whatever their reaction to it, and equally important, at a better understanding of themselves and their world, in whatever direction this leads them." For a few, that is the Church; for the rest of us, the World.

Sir Elton John has a clear picture of his own style. Flashy, over the top, flamboyant: call it what you will. Sir Elton always projects a glamour all his own. You may not wish to emulate it, but you had better respect it. Photographer David LaChapelle found this out in Los Angeles recently. On a photo shoot for Citibank, the sponsors of his latest world tour, Sir Elton was asked by the snapper to push a shopping trolley containing



nothing but a huge Citibank credit card. "I'll look like a big fat homeless person pushing that thing!" protested the perfectly proportioned, amazingly svelte, multi-home-owner. He immediately walked off the set and retired to his stretch limousine. When the pro-

ducer tried to coax him back through a cracked window, according to the *New York Post*, Sir Elton told him, "You can take your \$5m and stick it up your c\*!" Oh dearie.

Isn't this taking Minimalism a bit too far? The Met Bar, London's most fashionable drinking den until the Pharmacy opened last month, has removed all the loo seats in the Gents. When I asked the staff for a line of explanation, all I received was a knowing smirk. Can any readers help enlighten Pandora?

In late November, *The Spectator* published an article about Harry Evans, the former head of Random House in New York City and Tina Brown's husband. The article by Toby Young raised the question of Evans' sudden departure from the Newhouse empire to become editorial director of the *NY Daily News*. Was he pushed or did he



jump? Young believed the former. Almost two months later, Evans sent *The Spectator* a letter - longer than Toby Young's original article - in which he demanded a "correction" and a printed apology. Frank Johnson, *The Spectator's* editor, told Pandora, "I think we are playing a collateral part in Evans' total campaign against Toby Young." Apparently Evans has reacted badly to a New York newspaper's report that Young is hard at

work on a play about the media scene in the Big Apple, particularly the feud between the *New Yorker's* Tina Brown and *Vanity Fair's* Graydon Carter. "And he sent another legal letter to Young," Johnson reports, "which warned that he must not ridicule him 'in any jurisdiction'". Presumably that includes Off-Broadway theatres as well. Toby Young is outraged by this infringement of his First Amendment rights. Pandora's worry is that fighting for his civil liberties may prevent Toby from finishing his marvellous play.

Anxiety about Iraqi terrorism on these shores is affecting politicians as far away as Cardiff. The bomb squad was recently called out by a local councillor when he received a suspicious package in the mail. Just before they were about to conduct a controlled explosion, one of the squad detected a peculiar sloshing noise. In fact the

package was a heaping load of fresh cockles, sent by a South Wales firm. Leslie Parsons Cockles, who are lobbying against change in legislation protecting their local shellfish industry.

Remember *Primary Colors*, the scathing political satire about the first Clinton campaign? Now it has been turned into a heartwarming comedy in which John Travolta plays a cuddly Clinton-like President. How did fictional acid rain turn into tepid drizzle? Clinton met with Travolta before shooting commenced and asked the star about his well-known Scientologist convictions. "Sounds great," Clinton said and volunteered to take up the Scientologists' defence in their current epic legal battle with the German government. I suppose we're lucky that the IRA is not bankrolling a White House satire.

Pandora

THE INDEPENDENT  
ON SUNDAY

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### Lifelong Learning The Role for Universities

Thursday 5 March 1998 • Central London

The Government is due to publish a series of White Papers on Lifelong Learning in early 1998, from the DfEE, Scottish and Welsh Offices. This one day CVCP conference will explore the role for universities in developing and implementing the Government's proposals. Universities already play a significant role in lifelong learning, providing courses at all levels - HND, undergraduate, PhD and CPD. How will the developments announced in the White Papers affect this role? In particular what changes will be needed in universities' management, access, curriculum and funding? How can higher education generally develop its interface and partnership with further education to deliver the flexible learning opportunities that lifelong learning demands?

The conference is for senior managers in higher and further education, academics, careers advisers and training and personnel officers in business and funding organisations.

#### Speakers include

Baroness Blackstone, Minister for Education and Employment  
Diana Warwick, Chief Executive, Committee of Vice-Chancellors and Principals  
Professor Bob Fryer, Principal, Northern College (Lifelong Learning Advisory Group)  
Dr Geraldine Kenney-Wallace, PhD and VC, British Aerospace Virtual University

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More than £13bn wiped off combined value of pharmaceuticals giant and SmithKline Beecham as world's largest corporate deal disintegrates

## City voices fury at collapse of Glaxo merger

By Andrew Yates and Michael Harrison

Glaxo Wellcome and SmithKline Beecham felt the full force of the City's anger yesterday as the collapse of their merger talks wiped more than £13bn off their combined value and details emerged of the personality and culture clashes that brought the deal crashing down.

The collapse of the deal, which would have created the world's biggest drugs group and the third biggest global company, saw Glaxo Wellcome's shares slump by almost 13 per cent to 165.7p, while SmithKline Beecham's stock fell more than 10 per cent to 72.4p.

The failure of the two companies to complete the merger after clashing over the question of who would run the company stunned the City but also drew widespread criticism from institutional shareholders and analysts.

Large investors warned that both companies now had a major task on their hands to rebuild shareholder confidence, particularly SmithKline, which had already called off a merger with American Home Products, the US drugs group, last month to broker a deal with Glaxo.

"It is very unfortunate that in the middle of a deal you have to change tack. It suggests that the two sides had not fully understood and communicated with each other before rushing headlong into a deal which is not the best course of action," said one large shareholder in the two drugs groups.

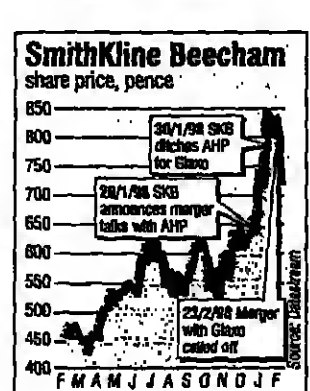
Another fund manager said: "This damages the credibility of both groups. SmithKline have already jilted the bride to run off with the best man. Now they are cannot even get it together with the best man. We want to know more about the real reasons for the collapse in the talks."

The collapse of the deal became inevitable after the two sides clashed at a meeting in New York last Friday over the respective roles of its five-man executive board and the apportionment of senior management jobs between Glaxo and SmithKline personnel.

Under the deal Sir Richard Sykes, the Glaxo chairman, would have become executive chairman of the merged group

and Jan Leschly, chief executive of SmithKline, its new chief executive. The other executive members would have been Glaxo's chief executive, Bob Ingram, and its finance director John Coombe and SmithKline's chief operating officer, Jean Pierre Garnier.

Mr Leschly would also have been chairman of a larger executive committee. But it emerged that its powers would have been limited with Sir Richard wanting to remain in charge of all major strategic decisions. Likewise, the two sides were unable to agree on whether Mr Garnier or Mr Ingram would be chief operating officer or the division of roles in the next tier of management.



Glaxo executives also questioned why there should be a 50:50 split of management jobs when SmithKline's pharmaceutical sales were only 55 per cent of Glaxo's. There also appears to have been a growing realisation on the part of Glaxo that the cultures of the two groups were incompatible.

Glaxo operates as a decentralised organisation with authority and responsibility devolved to regional and divisional heads while SmithKline is driven very much from the centre.

Nevertheless, institutional shareholders were aghast that these differences had not been ironed out before the merger talks three weeks ago, stating that respective valuations and the division of top jobs had already been agreed.

"I am very perturbed that companies of this stature with experienced management teams could not put a deal together. If it is about jobs for the boys then I would have expected more from both groups," said one.

Tim Franklin, pharmaceutical analyst at Greig Middleton said: "This is a major disappointment. Both companies are under pressure to do something to maintain investor confidence."

Analysts also speculated that Glaxo may have wanted to force the disposal of SmithKline's healthcare division, which it considered to be far less important than its pharmaceutical arm, while there were also question marks over DPS, SmithKline's troubled US pharmacy benefit manager.

"You never know what nasties they discovered when they started to look at each other closely," said an institutional shareholder.

SmithKline and Glaxo now intend to launch separate charm offensives on the City over the next few days and weeks to calm investor fears and try and salvage their reputations.

The collapse of the deal robs several senior executives of huge payouts and the City of at least £100m in fees. Mr Leschly alone stood to make a paper profit of more than £17m from UK and US share options.

However, it will save thousands of jobs among the 21,000 UK workforce of the two companies. Roger Lyons, general secretary of MSE, the white collar science union, said: "This is great news. The company ignored the interests of its employees and anybody else."

Now it seems that five executives have fallen out over the division of the spoils and perhaps the group's strategy.

The rationale for the merger was to create a research and development powerhouse with annual expenditure of more than £2bn a year. SmithKline has poured money into genomics, a process designed to identify hundreds of compounds that could be used to develop drugs. This technology was supposed to have fitted neatly with Glaxo's advanced screening techniques, which analysts believe could have led to the development of a vast array of new drugs.

One analyst said: "I would rather the two groups walk away than proceed with a turkey. When you add a poor drugs pipeline with another poor pipeline then you get an even bigger poor drugs pipeline."



Jan Leschly: Stood to make paper profit of £17m

### Wrong chemistry

■ 20 Jan: SmithKline Beecham announces it is in merger talks with American Home Products

■ 24 Jan: Glaxo chairman Sir Richard Sykes telephones Jan Leschly, chief executive of SmithKline, and asks whether it would be interested in a merger with Glaxo instead

■ 27 Jan: Sykes flies to New York and meets Leschly in the Rockefeller Center, headquarters of SmithKline's advisers Lazard Freres, to thrash out a deal

■ 30 Jan: SmithKline breaks off negotiations with AHP and announces it is in merger talks with Glaxo. Respective valuations and top management of combined group agreed in advance

■ 17 Feb: SmithKline reports 7 per cent rise in pre-tax profits for 1997 and says it expects to announce the Glaxo merger in early March

■ 19 Feb: Glaxo reports 9 per cent drop in 1997 profits but makes no comment on the progress of the merger talks

■ 20 Feb: Sykes meets Leschly in New York and says Glaxo is not prepared to proceed on the previously agreed terms

■ 22 Feb: SmithKline chairman Sir Peter Walters and Glaxo deputy chairman Sir Roger Hum meet in London in attempt to rescue the merger

■ 23 Feb: SmithKline terminates merger talks, citing "insurmountable differences" with Glaxo over management philosophy and corporate culture

■ 24 Feb: Glaxo and SmithKline shares plunge 13 per cent and 10 per cent respectively as recriminations begin and the City vents its anger



Sir Richard Sykes: Last-minute demands torpedoed deal

## Drug giants ponder life after a brief encounter

The collapse of the merger poses more questions for SmithKline than Glaxo as the two drug giants map out their future strategies, write Andrew Yates and Michael Harrison.

SmithKline claims it can go it alone successfully. But trying and failed to join forces with a competitor twice in the space of a month has severely dented its credibility. For Glaxo the deal was always an opportunistic one and yesterday it was at pains to stress that it did not need to pair up with another pharmaceutical partner.

Nevertheless for Sir Richard Sykes, Glaxo's chairman, it may prove a missed opportunity. He has set Glaxo the target of developing three significant medicines a year by the millennium against an industry average of one per year. That would have been a much easier goal with the economies of scale in research and development a SmithKline merger would have brought.

After an indifferent 1997,

when it felt the full effects of the ending of patent protection on the blockbuster anti-ulcer drug Zantac, Glaxo's priority now will be to deliver on its promise to maintain earnings this year and then grow them significantly in 1999 on the back of double-digit sales growth.

It has two new treatments in the pipeline for HIV, where its existing drugs, Efavir, Retrovir and Combivir, notched up a 16 per cent sales increase last year to £1.8bn. Approval is also being sought in China to use Efavir as a treatment for Hepatitis B while Glaxo will file for

regulatory approval later this year for a new flu treatment, Zanamivir. Other drugs in the pipeline include Seratide, a treatment for respiratory diseases, a sector of the market where Glaxo's existing drugs Flunolide and Serevent brought in sales of £1.8bn last year.

Meanwhile SmithKline's failure to forge a deal has raised concerns about the future of the group and Jan Leschly, its chief executive. Potential partners could have been frightened off by the group's antics over the past month. "Who would want to work with Jan Leschly and Jean Pierre Garnier now. They want nothing less than to run any merged company," said one analyst. A hostile bid remains unlikely, with drugs rivals unwilling to give up costs savings by paying a premium for the group.

If SmithKline remains independent it will have to prove it can produce major new drugs over the next few years to replace Paxil, the group's answer to Prozac and Augmentin, its best selling anti-biotic. Only then can it restore investor confidence.

Underlying profits rose 17 per cent to £1.65bn in 1997, but several of its most promising treatments failed to get through clinical trials and the group could struggle to produce this sort of growth rate in the future.

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### Let's call the whole thing off: why mergers fail

Management experts were last night quick to point out that Glaxo Wellcome and SmithKline Beecham are not unique in calling off a merger, writes Roger Trepp.

Earlier this month, KPMG and Ernst & Young abandoned their attempt to create the world's largest accounting and management consulting firm. Recently supermarket groups Asda and Sainsbury, telecoms companies BT and Cable & Wireless and - according to speculation - clearing banks Barclays and NatWest have all sized each other up and then backed away from a deal.

Despite a "culture of the deal" in the City, Glaxo-SmithKline is further evidence that mergers can be easy to plan but difficult to pull off. Research suggests only a small proportion of deals of this type achieve their financial targets. According to the London Business School, only about a half of acquiring companies recoup the premium above market value that they pay.

Andrew Campbell, a director of Ashridge Strategic Management Centre and co-author of the book *Synergy*, published tomorrow, said talks typically fall in this way either because

of "good management reasons or management intransigence".

Companies realise the "pile of gold" capable of being mined by the two parties was illusory. Sometimes the firms lacked the skills to make it happen, or the risk of weakening rather than strengthening both companies was too great.

Since both SmithKline and Glaxo have achieved successful mergers in the past, it is unlikely such factors were at play here. This leaves management squabbles or, as Mr Campbell puts it, "deeply felt differences about what to do and how to do it".

## Poor results deepen NatWest gloom

By Lea Paterson

The pressure on NatWest's embattled management team moved up another notch yesterday after the banking group published a weak set of annual results.

Group profits fell by 10 per cent, and the bank admitted to difficulties in several of its non-core businesses, in particular NatWest Markets, the investment banking business, and Courts, the Queens' bankers.

The only cheer for NatWest shareholders was the prospect of a share buy-back. The bank announced it intend to return cap-

ital to shareholders, but declined to detail the timing and the size.

Lord Alexander, the bank's chairman, said: "1997 was a difficult year, and our overall results were poor". Derek Wanless, chief executive, called the group's figures "disappointing". He added: "NatWest Markets had a dreadful year last year. It pulled down the performance of the whole of the group".

Before tax, NatWest Markets lost £706m in the year to December, a fall of £804m. Profits at Courts, the private banking group, fell by 72 per cent after bad debt provisions rose by more than 700 per cent to £76m.

Mr Wanless said the provisions related to "a small number of isolated lending problems" in the US, but declined to elaborate further on the precise nature of the difficulties.

The name NatWest Markets is to disappear once the group has completed the sale of its equities business later this year. NatWest Markets' debt business will be rebranded Greenwich NatWest and its corporate advisory business is also to be renamed.

Mr Wanless poured cold water on recent industry rumours the bank could merge with Barclays, one of its main

rivals, after an initial approach from Martin Taylor, Barclays' chief executive, last summer. Mr Wanless said the competition authorities would be unlikely to approve such a move and the process of merger would damage both banks' franchises. Mr Wanless said he was more receptive, however, to a link-up with a company in the insurance or mortgage industry.

Analysts reacted unenthusiastically both to the results and to Mr Wanless's moves to quash merger speculation. NatWest shares finished the day at 110.4p, down 21p.

Investment column, page 22

## Safeway to close 44 stores as it delivers fresh profit warning

By Nigel Cope  
City Correspondent

SAFeway, the troubled supermarket group, confirmed the City's worst fears yesterday when it delivered its third profit warning in little more than a year along with plans to close 44 stores in a move that will threaten 2,000 jobs.

The profits alert re-ignited speculation that the group might be the subject of a bid from rival Asda, which called off talks with Safeway last year. Meanwhile the City put Safeway management on notice, giving the board six months to put the com-

pany back on track or risk being ousted. "They've lost control," one analyst said. "They were so desperate to deliver sales growth that they have thrown money at the stores. I don't think the City will give them more than six months."

Colin Smith, Safeway's chief executive, denied any direct pressure from investors but added: "It is quite clear that the chief executive takes direct responsibility for the company's performance and I am doing that." He admitted the company had made mistakes but said its performance was improving. Safeway has been hit by slow

sales growth and rising costs which have hit margins. Start-up costs involved in setting up in Northern Ireland have been higher than expected and there will be a £30m charge to cover store closures and redundancies.

This will cut full-year profits to £375m, excluding the £30m of exceptional charges, compared to the previous year's £430m. Analysts had been forecasting £410-£440. There was also a warning on this year's profits. Safeway said they would be constrained by an extra £40m investment in improving price competitiveness, product availability and marketing.

"It's an absolute disaster," one analyst said. "The only thing supporting the shares is the bid speculation." Safeway shares closed 9.5p lower at 355.5p.

In its trading update - which had been delayed for almost a month - Safeway said sales growth over Christmas had been just 1.1 per cent on last year but had improved to 3.2 per cent year on year in the seven weeks to 21 February.

The group is to close 22 of the older Safeway branches and sell or close 22 of the remaining Presto stores that are not suitable for conversion.

Outlook, page 21

### STOCK MARKETS

Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5551.00	-51.80	-0.91	5793.20	4189.10	3.18
FTSE 250	5041.90	-2.90	-0.06	5049.40	4384.20	3.09
FTSE 350	2695.80	-20.50	-0.76	2751.00	2075.70	3.16
FTSE All Share	2626.01	-18.94	-0.72	2678.53	2056.07	3.14
FTSE SmallCap	2442.30	-3.20	-0.13	2446.40	2182.10	2.85
FTSE AIM	1336.20	-0.40	-0.03	1346.30	1225.20	3.25
FTSE AIM	1004.00	-1.30	-0.13	1138.00	885.90	0.89
Dow Jones	8390.27	-17.15	-0.20	8451.81	6356.78	1.55
Nikkei	16159.00	-11.45	-0.07	20510.79	14488.21	0.94
Hang Seng	10853.24	-1.87	-0.02	18820.31	7908.13	3.83
Dax	4590.54	-58.00	-1.25	4683.78	3175.96	1.67

### INTEREST RATES

Short sterling	UK 10 year gilt	US long bond
3 month 1 yr 5 yr	1 yr 5 yr 10 yr	1 yr 5 yr 10 yr
UK 7.55 1.31 7.52 0.84	6.04 -1.12 5.98 -1.38	5.80 5.80 5.80
US 5.64 0.16 5.70 -0.05	5.65 -0.74 5.94 -0.72	5.65 5.65 5.65
Japan 0.86 0.36 0.80 0.23	1.85 -0.74 2.47 -0.67	1.85 1.85 1.85
Germany 3.50 0.28 3.74 0.43	4.98 -0.59 5.54 -0.80	4.98 4.98 4.98

### CURRENCIES

Found	at Spot	Change	Yr Ago	at 3m	Change	Yr Ago
Dollar	1.6469	+0.05c	1.6337	Spotting	0.6072	-0.01p
D-Mark	2.9648	+1.18p	2.7312	D-Mark	1.8005	-0.85p
Yen	211.06	+40.35	199.51	Yen	128.16	+40.25
£ index	104.00	+0.40	97.70	£ index	108.50	0.00

### TOURIST RATES

Australia (dollars)	2.3820	Italy (lira)	2.843
Austria (schillings)	20.15	Japan (yen)	207.83
Belgium (francs)	59.27	Malta (lira)	0.6266
Canada (\$)	2.283	Netherlands (guilders)	3.2309
Cyprus (pounds)	0.8388	Norway (kroner)	12.06
Denmark (kroner)	11.00	Portugal (escudos)	252.21
Finland (markka)	8.7728	Spain (pesetas)	242.47
France (francs)	9.5084	South Africa (rand)	7.7775
Germany (marks)	2.8771	Sweden (kroner)	12.89
Greece (drachmas)	454.94	Switzerland (francs)	2.3265
Hong Kong (\$)	12.35	Turkey (lira)	361.687
Ireland (pence)	1.1530	USA (\$)	1.6057

Source: Thomas Cook  
Rates for indication purposes only





## OUTLOOK ON THE FALLING OUT OF GLAXO AND SMITHKLINE, AND THE PROBLEMS FACING SAFEWAY

# This was more than just a clash of egos

Was it just clash of ego, or something more substantive that caused the Glaxo Wellcome merger with SmithKline Beecham to fall apart? Certainly there appears to have been a large element of the former. But equally, it doesn't seem credible that this was the whole story. With so much riding on the outcome, deals of this magnitude are not meant to fail on matters as trivial as who has the bigger office. When mergers come unstuck, the one (personality clash) is usually a symptom of deeper rooted structural and cultural differences.

In the case of big companies, these differences are often profound, despite the homogenisation of management and marketing techniques brought about by the process of globalisation. It may well be that companies of this size and ambition simply aren't meant to merge - that they are just too different and already too large to make it work. You can have all the synergies, cost cutting potential, and in this case, supposed scientific advantages of combining rival drug discovery technologies, in the world but still they would not add up to anything without the cultural unity and purpose that lies at the heart of all successful modern day corporations.

The salutary lesson in pharmaceuticals is Pharmacia & Upjohn, which since the two companies were merged has degenerated into a case study of factional infighting and loss of direction. In this instance, the two companies had national and language rivalries to surmount as well as underlying cultural ones. That's not

the case with Glaxo and SmithKline. None the less, the differences are big enough to set the alarm bells ringing. If clash of personality has saved these two companies from the same fate as Pharmacia & Upjohn, then shareholders may have something to be thankful for after all.

Perhaps the biggest mystery is how the two sides managed to get so close to the alter without realising their inability to work with one another. Glaxo Wellcome and SmithKline tried once before to merge - about this time last year - but the talks broke down before being made public on who would occupy the top posts. It was thought that the removal of Sean Lance as chief executive in waiting at Glaxo, had lanced that particular boil (as it were) and that the way had been cleared for marriage. Two weeks of talking turkey has revealed otherwise.

So how did Sir Richard Sykes and Jan Leschly come to make such a mistake? Part of the answer lies in the speed with which all this happened. There was SmithKline in merger talks with American Home Products. That was a deal that would have converted SmithKline finally and fully into an American company. For Sir Richard, who is passionate in his defence of Britain's world lead in pharmaceuticals, that was too much. A big part of his motivation became that of keeping SmithKline British, and he rushed into a deal which in truth needed a much longer gestation period.

Within days it became clear that the

deal was misconceived, but there was too much riding on it to pull the plug. Sir Richard is a stubborn, often belligerent Yorkshireman. He was never going to work happily with the equally autocratic Jan Leschly, a go-getting, Americanised, Dane.

There were wider issues too. Was it really credible that the top, second, and third tier of jobs be shared equally between the two companies when the rationale for the merger was prescribed pharmaceuticals, where Glaxo is far bigger than SmithKline? According to insiders there was snobbery and arrogance on the part of Glaxo's people, who looked down their noses at SmithKline's over the counter and consumer products. Here then was the potential for wider ranging discord and argument.

There may have been other matters too. SmithKline is growing more strongly than Glaxo right now, but its medium term product pipeline is probably not as good and its patent protection on existing products not as waterproof as it pretends.

The general view in the City is that ego has scuppered what would have been a sensationally good merger with unparalleled potential for new product development. The truth is a good deal more complex and if by halting the process at the eleventh hour Sir Richard has caused executives more generally to question the feasibility and motives of the global mega-merger, he may have done everyone a service. But then with all those fee

hungry investment bankers and corporate lawyers around, that may be expecting too much.

## Wounded in the trolley wars

Profits warnings at Sainsbury have become a bit like buses. You wait around expecting one for ages and then several come along all at once. Three in this case - and what corks they have been too. Just over a year ago the City was expecting Sainsbury to make profits of more than £500m this financial year. Now those predictions have been cut to just £350m, a reduction of 30 per cent.

The generous view is that Sainsbury's travails now are akin to those suffered by Sainsbury a couple of years ago - sluggish sales, problems with product availability and management complacency. In truth there are distinct differences, which may make it difficult for Sainsbury to emulate Sainsbury's recovery. While Sainsbury's always had a strong brand and a good store portfolio, Sainsbury has neither. Its brand name is by comparison minor league and its stores are worse.

And then there is the management. Colin Smith and his team seem to be all at sea, casting around for ideas. David Webster, the chairman, and the last of the Gulliver triumvirate which put Argill on the map, seems an increasingly peripheral and disinterested figure. Indeed there could be some significance in the fact that the top three in this company are all fi-

nance directors by background, more used to financial wizardry than the cut and thrust of trading in one of Britain's most competitive industries.

Tesco, by contrast, has a marketing man at the helm - Terry Leahy. Asda is run by a highly regarded fast moving consumer goods expert - Allan Leighton. Both are a decade younger than the Sainsbury top brass, who continue to maintain a comfy office in Mayfair while the real business is going on in Hayes.

No wonder the company has become the subject of persistent bid speculation. With M&S ruling itself out, Asda still represents the most likely potential partner for Sainsbury. But while Sainsbury may need Asda, it is not clear Asda needs Sainsbury. Asda might be able to add some value with its lower priced offer and more dynamic management. But many Sainsbury shops are too small for Asda's non-food lines. Besides, Asda will be picking up market share anyway with the number four in the pack struggling.

Even if Asda were keen, regulatory hurdles could well prove insurmountable. The Sainsbury-Kwik Save merger, which is unlikely to be blocked on competition grounds, only makes matters worse. Regulators may be prepared to allow one grocery merger through on the nod, but not two. Sainsbury faces the prospect of lagging further and further behind in the trolley wars - a distant fourth to the new "Big Three." It may not be entirely management's fault but the City won't be forgiving all the same. Expect more top level executive changes over the next six months.

# British Midland takes shock U-turn by launching US routes

By Michael Harrison

British Midland, the country's second highest scheduled airline, yesterday signalled a sharp change in strategy by unveiling plans to launch transatlantic services to 10 US cities.

The announcement came less than three months after the airline's chairman, Sir Michael Bishop, warned of an impending "bloodbath" on the North Atlantic and criticised moves to turn Heathrow into a "bucket and spade airport" for the US. Up until now British Midland has concentrated on building up its domestic and European services using its privileged position at Heathrow, where it controls 14 per cent of all runway slots. Now it has applied to the Civil Aviation Authority for route licences to 10 US destinations, including New York, Washington, Atlanta, Boston, Chicago, Los Angeles and Miami. It aims to start operating services within the next 18 months with an initial fleet of three aircraft.

It will take British Midland into direct competition on US

routes with British Airways and Virgin Atlantic, the only two UK carriers allowed to operate scheduled services across the Atlantic.

Austin Reid, British Midland's managing director, said the move had been driven by the impending "open skies" agreement between Britain and the US which will allow any airline to operate across the Atlantic. He also said suitable aircraft were likely to be available earlier and more cheaply because the Asian downturn was forcing carriers to reschedule or defer deliveries.

Mr Reid said British Midland would have preferred to complete its expansion into Europe before embarking on long-haul services but had been "stopped in its tracks" by the lack of available slots.

In contrast, the long-awaited British Airways-American Airlines alliance is expected to see up to 300 slots taken from the two carriers and redistributed to other transatlantic operators.

Up to five US carriers are expected to enter the market in addition to its two existing operators, American and Uni-

ted Airlines. "In terms of UK plc that is a rather unequal equation," Mr Reid said.

In contrast to a warning last December from his chairman about "the air-fare war to end all air-fare wars" on the Atlantic, Mr Reid added: "We see significant benefits arising from increased competition on transatlantic routes and it is essential that the number of UK airlines servicing the market is increased to three."

Mr Reid denied that British Midland was acting as a "stalking horse" for SAS, the Scandinavian carrier which owns 40 per cent of the airline. SAS is also a member of the Star Alliance, with which the BA-AA alliance will compete.

He said that SAS has only been informed yesterday morning of British Midland's decision to apply for the route licences, though as a major shareholder it had been kept informed of the company's plans to enter the long-haul market.

British Midland is also studying the possibility of teaming up with a partner when it enters the US market.



Sir Michael Bishop, chairman, British Midland, 8 December, 1997



Austin Reid, chief executive, British Midland, 24 February, 1998, announcing plans to fly to 10 US destinations

**'Open skies will lead to a bloodbath across the Atlantic. There will be the air-fare war to end all air-fare wars. We don't want to see Heathrow become a bucket-and-spade airport for the US'**

**'We see significant consumer benefits arising from increased competition on transatlantic routes and it is essential that the number of UK airlines serving the market is increased to three'**

# Be prepared for euro, Brown urges

By Diane Coyle  
Economics Editor

GORDON BROWN, the Chancellor of the Exchequer, yesterday stressed the importance of being ready for the start of the single European currency on 1 January 1999 even though the Government has postponed British entry. "We must be ready to get the most from it for Britain," he told MPs, reaffirming the Government's policy of enthusiasm in principle but caution in practice.

The Chancellor's evidence before the Treasury Committee of the House of Commons generated unusual excitement when Quentin Davies, a Tory Euro-enthusiast, accused the Government of "running away from taking a decision" because of

pressure from Rupert Murdoch and his stable of newspapers.

But Mr Brown denied the charge that his five economic tests for British membership were a pretence. "Other countries have been preparing for monetary union for almost six years now. We have not made those preparations," he said, explaining the decision to stay out of the first wave.

The Chancellor refused to answer repeated questions about whether the UK would be prepared to veto the membership of any other country which did not meet the strict letter of the Maastricht criteria for membership.

"Over a period of time there have been considerable advances," he said, asked about whether all those countries

which wanted to join would meet the targets for the levels of budget deficits and debt set out in the treaty.

Britain, which holds the EU presidency, would look carefully at the reports from the European Commission and European Monetary Institute next month, Mr Brown said. He refused to be drawn on which countries he thought would qualify.

The Chancellor emphasised the practical preparations that would be needed before the UK could join and the need for sustainable economic convergence. He confirmed it would be possible for companies to have their shares quoted and to pay taxes in euros from next January.

Mr Brown said the UK and other European countries had an agenda of economic reform

ahead of them. The single currency would satisfy his test on jobs - one of the five set out by the Treasury - if this programme of structural reform was under way by early in the next parliament.

Separately, Helen Liddell, Economic Secretary to the Treasury, launched a green paper on the future of official statistics. The paper set out four options for an independent national statistical service.

Ms Liddell said there were widespread doubts about the validity of many statistics, and the Government attached the greatest importance to improving their integrity. The option under which some departments would keep control of their statistics, subject to an independent commission or governing board, looks the most likely outcome.

# Funds warn on Budget high-rate tax hit threat to pension saving

By Andrew Verity

PENSION funds yesterday fired a shot across the Treasury's bows amid mounting speculation that the Government will slash tax relief for higher-rate taxpayers in the forthcoming Budget.

The National Association of Pension Funds, whose members control £350bn of employees' savings, is warning that a cut would prompt both employers and employees to flock away from pension saving. A higher-rate taxpayer who pays £60 to a pension currently receives an extra £40 in higher-rate tax relief. A basic-rate taxpayer making the same payment sees just £23 going in to a scheme.

The extra tax relief for higher-rate payers costs the Treasury

£800m a year, prompting speculation that Gordon Brown, the Chancellor of the Exchequer, will limit tax relief to the basic rate of tax in his 17 March Budget.

The NAPF warned that a cut would "torpedo" schemes to which 8 million workers belong. Peter Murray, NAPF chairman, said: "Employers who provide occupational pension schemes will put up with only so much before they decide it is no longer worth the cost and hassle of coping with constant change."

Employees making payments from their own pay would be worse off than those in non-contributory schemes. An employee earning £40,000 contributing 5 per cent would see a reduction in take-home pay of £340 a year.

# Greenspan sees moderate growth as Asia crisis bites

The Federal Reserve forecasts moderate and balanced US growth this year with the fall-out from Asia keeping inflation in check, Fed chairman Alan Greenspan said yesterday, suggesting the Fed may leave borrowing costs unchanged for some time to come. While 1998 began with considerable momentum, the Fed expects growth of 2.2-2.75 per cent this year, as the effects of Asia's crisis start to be felt. However, given the economy's exemplary performance so late into an expansion, the forecasts are "more tentative than usual", Mr Greenspan said.

# Holiday opening for Liffe

The Loodoo International Financial Futures Exchange (Liffe) is to open for business on May 4, the May Day bank holiday, because of a crucial EU meeting scheduled for the weekend of May 3 and 4, at which the EU will decide which countries will be included in EMU's first wave. Daniel Hodson, Liffe's chief executive, said: "Given the importance of the meeting and its impact on financial markets, it is Liffe's intention that the exchange will meet market needs by opening for trading on the Bank Holiday."

# JP Morgan to cut jobs

JP Morgan, the US investment bank, is to fire around 700 employees, or nearly 5 per cent of its work force, in an attempt to boost profitability. The layoffs, the majority of which will be in the bank's Asian operations, will begin immediately. The cuts are likely to be accompanied by a one-off severance-related charge in the first quarter. In an internal company memo, Douglas Warner, the bank's chairman and chief executive, also raised the possibility of a merger with another firm, although he concluded: "It remains our conviction that no strategic merger yet envisioned matches the promise of our own growth strategy if we execute it successfully."

# Siebe buys software supplier

Engineering group Siebe is buying Wonderware, a supplier of Microsoft Windows-based software for the industrial automation market, for £228m to broaden its software product line. Wonderware makes software for Microsoft's Windows operating system that helps companies such as Coca-Cola control and monitor factory processes.

# Standard investment house

Standard Life, the life insurer, is to form a new investment house. The new company, Standard Life Investment Management, will be run as a separate business within the Standard Life Group. Standard Life, which has been gradually building up its investment management business over the last four years, said it was "ready to compete with the established players in fund management". Sandy Crombie, currently group chief investment manager, will become chief executive of the new subsidiary.

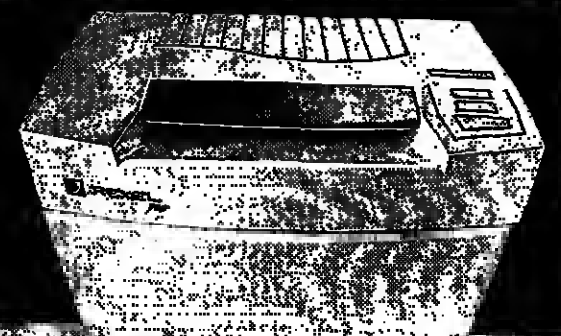
# Capita targets recruitment

Capita, the fast-expanding outsourcing group, yesterday said it expected human resources to be its next area for growth. The company, which has already won numerous lucrative outsourcing deals in local and central government, is offering companies a full range of services ranging from recruitment to payroll management. Rod Aldridge, chairman, said yesterday that companies increasingly view these activities as peripheral. "Obviously staff are core for most companies, but many are realising they don't need to control the recruitment process," he said. His comments came as Capita reported a 49 per cent increase in pre-tax profits to £17.9m on turnover up 55 per cent to £173m.

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23/SHARES

THE INDEPENDENT  
WEDNESDAY 25 FEBRUARY 1998

# Footsie recovers from merger breakdown shock

## MARKET REPORT



DEREK PAIN

THE STOCK market survived the collapse of the world's biggest merger without needing any shock treatment. In early trading Footsie was off 117.9 points. By the close the fall had been cut to 51.8 at 5651.

Yet Glaxo Wellcome and SmithKline Beecham were responsible for a 75.1 points decline. So if the falling out of the two drug giants was stripped out of the calculation Footsie would have ended in the black, up 23.3.

Glaxo crashed 247p (after 314p) to 1,657p and SB 83p (after 102p) to 724p. When the drug-induced delirium first hit the market Glaxo jumped to 1,983p and SB to 845p. Glaxo is near its pre-merger price; SB, which had been buoyed by its aborted deal with American Home Products, is 56p below its level when the Glaxo deal was announced.

The market also had to contend with the poor results

from National Westminster Bank (off 21p at 1,104p) and another trolley of woes from Safeway (9.5p down at 355.5p).

The breakdown of the world's biggest merger, which would have created a £100bn drugs behemoth, sent shock waves through early trading. But although turnover in the two thwarted drug groups was heavy the market quickly swung round to the view that the various bid permutations had, if anything, increased.

The fact that the merger had been killed by a personal accontancy or drug problems also helped sentiment.

The stock shortage was another factor. Shares are now in short supply. The rush of share buybacks and the tendency to use cash, rather than equity, in takeovers has lowered the share pool at a time when many fund managers, after two years on the sidelines, are scrambling to build

their portfolios. An upheaval of the Glaxo/SB variety is, therefore, a blessing to equity-short fund managers.

With the cult of the merger still very strong there was hardly time for the Glaxo/SB last rites before the speculation resumed. The market opted for an old favourite - money shares and in particular insurances.

The globalisation argument applies to financials as well as drugs. And with three insurers reporting today the temptation to alight again on the sector proved irresistible.

Commercial Union, GRE and General Accident were in the frame. A deal involving any two of the three was the popular guess as GA climbed 83p to 1,455p, GRE 20.75p to 440.75p and CU 24p to 1,130p.

Other takeover candidates were pressed into service. Reckitt & Cnlman, with Unilever the alleged predator, jumped 42p to 1,105p and

Standard Chartered (again) 16p to 758p.

Away from bid speculation BAT Industries rose 17p to 598p with Dresdner Kleinwort Benson suggesting a 68p target, and a Goldman Sachs upgrading helped Cadbury Schweppes 13.5p higher to 770p, a peak.

Utilities were depressed by fears of a tougher regulatory

climate. Severn Trent underlined worries that the Government may clamp down next month on profits and dividends at an analysts' presentation. United Utilities fell 30p to 772p; Thames Water 18p to 847p and PowerGen 11p to 812p. Severn Trent sank 16p to 902p. Morgan Stanley is cautious on the sector.

SkyPharma gained 7.5p to 62.5p following a link with SmithKline over its Paxil treatment for nervous disorders. SG Securities sees SkyPharma moving into profits with a £3.3m outcome next year and £50m in the year 2,000.

Scotia fell 30p to 322.5p after a licence application was withdrawn.

Wolverhampton & Dudley Breweries firmed to 497.5p after buying back 1.5 million shares at 495p.

Manchester United, the best performing football share, discovered that being top of

the Premiership is not enough to bolster its investment appeal. The shares fell 4p to 141p, lowest for more than a year. Still any investor (or supporter) who backed the 1991 flotation is still sitting on a handsome profit. The issue price was around 18p.

MSB International, an IT group, gained 35p to 807.5p as Merrill Lynch started re-researching the company with a buy recommendation.

Dudley Jenkins, a mailing group, said it did not know any reason for the strength of its shares and replaced a 22.5p gain with a 12p fall. DRS Data said there was no "underlying reason" for the weakness of its shares; they promptly reduced a 4.5p fall, ending 2p off at 16p.

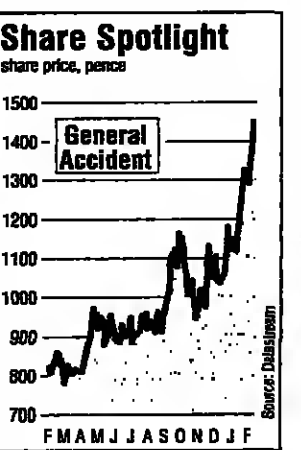
Delyn, on the arrival of the Rubin family with 25.04 per cent, rose 10p to 127.5p, and Leslie Wise, where the privately owned Joe Blogs is said to have, hardened a further 2p to 16p.

## TAKING STOCK

Shares of BBA, the engineers, have under-performed yet, points out stockbroker Greig Middleton, it has little Far Eastern exposure and sterling's strength is often offset. It sees profits improving £12m to £153m last year and reaching £174m this year. The shares were little changed at 418.5p.

Deep Sea Leisure rose 5p to 320p, a high. The shares have climbed from 167.5p in the past three months, prompting predictable stories that a predator is eyeing the group. DSL operates an aquarium in North Queensferry, Scotland, and is near to opening another between Chester and Ellesmere Port.

Nat Solomon, former chief of Plesurama and Tottenham Hotspur, has become chairman of Oxf-traded Distinctive Leisure, a little pubs group. He has acquired 500,000 shares (1.7 per cent) at 3p. The Offer price is 2.5p.



Share Spotlight  
share price, pence

General Accident

12 week										12 week										12 week										12 week										12 week									
High	Low	Stock	Price	Chg	Yld	P/E Code		High	Low	Stock	Price	Chg	Yld	P/E Code		High	Low	Stock	Price	Chg	Yld	P/E Code		High	Low	Stock	Price	Chg	Yld	P/E Code		High	Low	Stock	Price	Chg	Yld	P/E Code											
<b>Alcoholic Beverages</b>																																																	
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